



ROY CITY COUNCIL MEETING AGENDA

NOVEMBER 19, 2019 – 5:30 P.M.

ROY CITY COUNCIL CHAMBERS – 5051 SOUTH 1900 WEST

A. Welcome & Roll Call

B. Moment of Silence

C. Pledge of Allegiance

D. Consent Items

(These items are considered by the City Council to be routine and will be enacted by a single motion. If discussion is desired on any particular consent item, that item may be removed from the consent agenda and considered separately)

1. Approval of October 1 and October 15, 2019 Roy City Council Meeting Minutes

E. Presentations

1. Presentation on the Fiscal Year 2019 Audit Report

F. Action Items

1. **Resolution 19-29** Honoring the Mighty Mites for their 2019 Season
2. **Resolution 19-28** Adopting changes to the Personnel Policy
3. **Resolution 19-30** Adopting an Interlocal Agreement for Mutual Aid Fire Protection Agreement between Roy City and North Davis Fire District
4. **Resolution 19-31** Approving an Interlocal Agreement with North Davis Fire for the Billing and Collection of fees for Paramedic Services rendered during ambulance transport
5. **Resolution 19-32** Adopting 2020 Roy City Council meeting dates
6. **Resolution 19- 27** Creating Voter Participation Areas
7. **Resolution 19-33** Approving the Job Description for Recreation Office Supervisor
8. **Resolution 19-34** Approving a contract for the Demolition of the MOWEDA building with Perez Company
9. **5:30 p.m. – PUBLIC HEARING** – to consider **Ordinance No. 19-16** – to amend the Roy City General Plan, Chapter 6 - Residential Development; Goal 3 - Future Moderate Income (Affordable) Housing Needs
10. Approval of the 2019 General Election Canvass

*****Recess to go into Roy City Redevelopment Agency Board Meeting***

11. **Ordinance 19-17** Adopting an Official plan for the 1900 Southeast Community Reinvestment Project Area, as approved by the Redevelopment Agency of Roy
12. **Ordinance 19-18** Adopting an official plan for the 1900 Southwest Community Reinvestment Project Area, as approved by the Redeployment Agency of Roy

G. Public Comments *This is an opportunity to address the Council regarding concerns or ideas on any topic. To help allow everyone attending this meeting to voice their concerns or ideas, please consider limiting the amount of time you take. We welcome all input and recognize some topics make take a little more time than others. If you feel your message is complicated and requires a lot of time to explain, then feel free to email your thoughts to admin@royutah.org. Your information will be forwarded to all council members and a response will be provided.*

H. City Manager & Council Report



I. Adjournment

In compliance with the Americans with Disabilities Act, persons needing auxiliary communicative aids and services for these meetings should contact the Administration Department at (801) 774-1020 or by email: admin@royutah.org at least 48 hours in advance of the meeting.

Pursuant to Section 52-4-7.8 (1)(e) and (3)(B)(ii) “Electronic Meetings” of the Open and Public Meetings Law, Any Councilmember may participate in the meeting via teleconference, and such electronic means will provide the public body the ability to communicate via the teleconference. The anchor location shall be the Roy City Council Chambers located at 5051 South 1900 West, Roy Utah.

Certificate of Posting

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda was posted in a public place within the Roy City limits on this 15th day of November, 2019. A copy was also provided to the Standard Examiner and posted on the Roy City Website and Utah Public Notice Website on the 15th day of November, 2019.

Morgan Langholf
City Recorder

Visit the Roy City Web Site @ www.royutah.org
Roy City Council Agenda Information – (801) 774-1020



ROY CITY
Roy City Council Meeting Agenda
October 1, 2019 – 5:30 p.m.
Roy City Council Chambers
5051 South 1900 West

Minutes of the Roy City Council Meeting held in the City Council Chambers of the Roy City Municipal Building on October 1, 2019 at 5:30 p.m.

Notice of the meeting was provided to the Utah Public Notice Website at least 24 hours in advance. A copy of the agenda was posted.

The following members were in attendance:

Mayor Robert Dandoy
Councilmember Burrell
Councilmember Paul
Councilmember Saxton
Councilmember Tafoya
Councilmember Yeoman

City Manager, Matt Andrews
City Attorney, Brody Flint

Also present were: Police Chief, Carl Merino; Public Works Director, Ross Oliver; City Recorder, Morgan Langholf; Henry Rivera, Bryan Lozano, Trent Wilkins, William Farr, Dylan Robinson, Nathan Johnson, Julia Lawson, Kevin Homer, Aaron Brenchley, David Brenchley, Braxton Nebeker, Trudy Crossley, AJ Estes, Chris Porm, Miles Gage, Kathleen McKinney, Nan Dixon, D. Wilson, Bailey Hill, and Bryant Etevati

A. Welcome & Roll Call

Mayor Dandoy welcomed those in attendance and noted Councilmembers Burrell, Paul, Saxton, Tafoya and Yeoman were present.

B. Moment of Silence

Councilmember Burrell invited the audience to observe a moment of silence.

C. Pledge of Allegiance

Councilmember Burrell led the audience in reciting the Pledge of Allegiance.

D. Consent Items

(These items are considered by the City Council to be routine and will be enacted by a single motion. If discussion is desired on any particular consent item, that item may be removed from the consent agenda and considered separately.)

Consent Items were tabled until the October 15, 2019 Meeting as the items were not available for Council.

E. Action Items

1. Consideration of Resolution No. 19-25 Approval of a Contract for the Waterline Replacement Project

Ross Oliver presented this Resolution to the Council, noting that seven contractors submitted bids. Leon Poulson submitted the lowest bid at \$351,285. Staff recommended that the Council awarded bid, further

mentioning that the price came in under the engineering department's estimate.

Councilmember Burrell asked if the City had ever used Leon Poulson before and Ross Oliver answered affirmatively.

Councilmember Burrell motioned to approve Resolution No. 19-25 a contract for the Waterline Replacement Project. Councilmember Paul seconded the motion. A roll call vote was taken. All Councilmembers voted "Aye." The motion carried.

2. Consideration of Ordinance 19-11 Amending the Roy City Municipal Code Amending portions of the Title 9 Building and Construction Codes

City Attorney, Brody Flint, explained that this ordinance changed City Code to update the latest version of all the international codes used for construction-related ordinances including building and electrical. He explained that each of these different groups sporadically updated these codes, and the State mandated cities to adopt the newest version. The proposed ordinance aligned Roy City ordinances with the most recent building codes; therefore, staff recommended approval.

Councilmember Tafoya motioned to approve Ordinance 19-11 to amend the Roy City Municipal Code amending portions of Title 9 Building and Construction Codes. Councilmember Yeoman seconded the motion. A roll call vote was taken. All Councilmembers voted "Aye." The motion carried.

F. Public Comments

Mayor Dandoy opened floor for public comments. No comments were made, so Mayor Dandoy closed the floor for public comments.

G. Reports and Discussion

1. City Manager Report

Mr. Andrews reported on the following:

- October 21 there would be a blood drive and everyone was invited to attend.
- October 9 there would be the annual Safety Fair.
- Ross Oliver and Brandon Edwards were able to send off a letter of intent to the Wasatch Front Regional Council regarding two sidewalk projects.
- The Dumpster Program was currently going on until October 12.
- October 25 was the Trunk or Treat event at George Wahlen Park.
- The traffic study came back for 5700 South and it was determined that the speed humps were working. The City would be moving towards make them permanent, and depending on the weather staff would either do asphalt or concrete. These speed humps were intended to be part of a series and these first two were a trial run before completing the others.

2. Mayor and Council Report

Councilmember Yeoman mentioned she would not be present for the October 15th Council meeting, as she would be out of town at the Mosquito Abatement Conference. Joe Paul mentioned he was planning on attending but it could be up in the air depending on how well his recovery went.

The Council discussed and finalized the plans for the Trunk or Treat.

H. Adjournment

Councilmember Burrell Motioned to Adjourn the City Council meeting at 5:40 p.m. Councilmember Yeoman seconded the motion. All Councilmembers voted “Aye.” The motion carried.

Robert Dandoy
Mayor

Attest:

Morgan Langholf
City Recorder

dc:



ROY CITY
Roy City Council Meeting Agenda
October 15, 2019 – 5:30 p.m.
Roy City Council Chambers
5051 South 1900 West

Minutes of the Roy City Council Meeting held in the City Council Chambers of the Roy City Municipal Building on October 15, 2019 at 5:30 p.m.

Notice of the meeting was provided to the Utah Public Notice Website at least 24 hours in advance. A copy of the agenda was posted.

The following members were in attendance:

Mayor Robert Dandoy
Councilmember Burrell
Councilmember Paul
Councilmember Tafoya

City Manager, Matt Andrews
City Attorney, Andy Blackburn

Also present were: Police Captain, Danny Hammond; Fire Chief, Jeff Comeau; Public Works Director, Ross Oliver; City Recorder, Morgan Langholf, Aven Mueller, Rick Kirk, Glenda Moore, Jason Sphar, Chris McCandless, Stephen Smith, Clinton Robert, Heather Morse, Derric Morse, Bobbi McGraw, Andrea Sanders, Nicole Watkins, Trisha Clark, Ronnie Maughan, Alan Heiner, Rylee Judkins, Mardji Franco, Elias Trujillo, Lance Hacock, Byron Burnett, Chris Lewis, Ann Jackson, Nicole James, Alexis James, Danielle Halverson, Dustin Kohli, Arianna Monson, Hope Ellison, Brandy Clydesdale, Jason Clydesdale, Jon Grover, James Thor, Mary Hirsbrunner, Julie Bashford, Yishur Mendoza, Jed Porter, Scott Lewis, Mercedes DeJong, Alejandra Ochoa, Jennifer Lopez, Ashley Ross, Kyler Branch, D. Wilson, B. Sander, Hansen Roetzche, Susan Boyce, Taylor Mantz, Michelle Johnson, Hector Jimenez, Robert Clark, Kevan Jensen, Devin Jensen, Trude Crossley, Lisa & Trent Leaveitt, Tanner, Joan Peterson, Roger Peterson

A. Welcome & Roll Call

Mayor Dandoy welcomed those in attendance and noted Councilmembers Burrell, Paul, Tafoya were present. Councilmembers Saxton and Yeoman were excused.

B. Moment of Silence

Councilmember Paul invited the audience to observe a moment of silence.

C. Pledge of Allegiance

Local Boy Scout Troop 474 led the audience in reciting the Pledge of Allegiance.

D. Consent Items

(These items are considered by the City Council to be routine and will be enacted by a single motion. If discussion is desired on any particular consent item, that item may be removed from the consent agenda and considered separately.)

1. Approval of the September 17, 2019 City Council Minutes

Councilmember Burrell motioned to approve the September 17, 2019 City Council Minutes. Councilmember Paul seconded the motion. All Councilmembers voted “Aye.” The motion carried.

E. Action Items

Mayor Dandoy changed the order of Action Items to accommodate the Judge's schedule.

1. Consideration of Resolution No. 19-26 A Resolution requesting the Recertification of the Roy Weber Justice Court.

City Attorney, Andy Blackburn, explained that every four years the Council must submit a recertification request with the State. This resolution, he explained, would send the recertification process back to the administrative court. Mr. Blackburn presented an attorney's letter detailing the requirements to be recertified. He added that the resolution needed to be approved in order to begin the process. Staff requested approval of the above-listed Resolution.

Councilmember Paul motioned to approve Resolution No. 19-26 requesting the Recertification of the Roy/Weber Justice Court. Councilmember Tafoya seconded the motion. A roll call vote was taken. All Councilmembers voted "Aye." The motion carried.

PUBLIC HEARING: Consideration of the following:

2. Ordinance 19-12 To amend the General Plan (future Land Use Map) from Commercial & Medium Density Single Family Residential to Very High Density Multi-Family Residential
3. Ordinance 19-13 To amend the Zoning Map from CC (community Commercial) to R-4 (Multi-Family Residential)

Mayor Dandoy directed Developers Steve Smith and Chris McCandless to do their presentation followed by City Planner Steve Parkinson's presentation. Then, he added, he would open the Public Hearing to the residents. The Council's questions would then follow.

Steve Smith, from Sandy, Utah, started his presentation. Mr. Smith provided a historical overview of the property in question. He explained that he had begun acquiring the eight or nine properties that comprised the parcel in 2005. He added that it had taken three years to get a sample of what he was now presenting because of application concerns. Mr. Smith subsequently identified on an aerial map the houses that had been purchased. He explained that he had originally wanted to develop the property himself. He explained that he had put several plans onto the marketplace and had gotten some responses from several companies. Originally, he explained, he had not wanted to piece out the property. He explained that he had seen pieced out developments ending up with orphaned properties.

Mr. Smith mentioned that he wanted to develop a project that would benefit the community and that with the downturn of 2009, the situation had become more difficult for him: finding a sustainable project had become challenging. He added having been distraught to read on social media that he, as a landowner, did not care about community. He stated that this was not the case for him as he had carried the land for 15 years hoping to find a project that would be an asset to the community. Mr. Smith added that he had been stung by suggestions that, as a developer, he was influencing the Council. He explained that this was not the case as there had been no contact, contributions, or quid pro quo.

Mr. Smith explained that under the Community Commercial zoning, he had many different options open to him. He pointed to the slide explaining the permitted uses. He continued that retail had struggled over the past few years and pointed to local examples showing the difficulties retail was experiencing. He further stated that building another retail center would not be viable. He pointed to a possible big box store but continued that this might be an issue as many customers were now shopping online. With those difficulties, he explained wanting to work with a management company (namely, Chris McCandless) to

assist him in finding the right land use. He explained that Chris McCandless had 30-40 years of real estate experience. He mentioned that one of the concerns the community had raised had been that he could build 30 to 40 units per acre of land. He explained that he had worked to build consensus between Staff, Community, and Council. Mr. Smith further mentioned that Chris McCandless would present ideas on how to have a project that would fit this consensus. He also explained that there had been concerns about traffic. He added that traffic everywhere in Utah was failing but added that while his project would add traffic, since it was not going in the same direction, it would alleviate the overall traffic load.

Chris McCandless mentioned that he had family members living in the area, and, as a result, he came to Roy on a regular basis. He decided to discuss a couple of difficult projects to show the Council his ability to better specific issues. He described two specific projects where both elected officials and the landowner were satisfied. One such project, he continued, had taken 15 years to be accomplished. He further discussed a park he worked on near Primary Children's Hospital, a project in Cottonwood Heights, the Southtown Bend Center, the Hale Center Theater, and Center Park. Chris McCandless emphasized that he stuck with projects even when they were challenging. He explained that he had been approached to have the land used for a Charter School which would take half of the parcel. The remaining 3.5 acres, he continued, would be a good fit for senior housing which was considerably denser. Another concept, he continued, would be to create townhouses, which was permitted under the R4 zoning. These townhouses, he continued, would offer ten units per acre and would not be offered for purchase. He added that trees would be planted along the side of the street. Mr. McCandless further explained that he hoped to have the units be available in the low \$200,000.00. He added this would be a challenge but continued that his own children were finding it difficult to house themselves in Utah. With this mind, he felt affordable housing was needed in Utah. Another part of the project would be a care facility, which was also a permitted use in the zone.

Chris McCandless continued that there was an open area which he pointed to on the map. He added this might be a good area for a parking. He explained that there would also be a park area. If the area were sold to a big box store, he continued, this area would be filled with grass. He explained that he wished to protect the Wasatch Area. He further informed the Council that an access road would be built between 3500 and Midland, which would require permission from the Utah Department of Transportation. He continued that a detailed traffic impact study would need to be performed as most of community comments centered on traffic issues.

Chris McCandless began discussing community comments. He explained that traffic impact had been the main concern. Second, he continued were concerns of property values, with infrastructure next. Townhomes developer commitment had, in the past, also shown to be a concern. Chris McCandless explained having hired Brian Hales, from Hales engineering, as a traffic consultant. He had been told that traffic from a commercial site would create 7,200 cars per day. A residential project, on the other hand, would create traffic of 886 cars per day, he added. Mr. McCandless added that if traffic was the issue, he wished to offer his services to property owners. He explained that he was familiar with the State Board of Transportation and that he would love to help the community resolve traffic issues. He continued that he wished to help the City fund a traffic study, as it would require at least \$1 million to do so. He reiterated his experience with such matters. Creating a residential area, he continued, would not add to the traffic concerns. He discussed other key players in the project.

Mr. McCandless explained that one of the residents' fears was property value. He mentioned that building residential areas did not affect property prices if but modestly. Industrial and retail uses, however, did have an impact, he added. Mr. McCandless then discussed infrastructure. He explained that some of the sewer development would require an investment that the development was willing to cover. He continued that in terms of utilities, there would be little off-site work to be completed. He mentioned that sidewalks would need to be developed whether the chosen project was commercial or residential. He

discussed the 3500 West expansion to create a corridor. He explained that the development would include a pedestrian bridge over the canal. The prefabricated bridge, he added, would be an inexpensive way to move pedestrian through the traffic choke point. He continued that the Charter School “The Bridge Academy” was committed to the location. The School would also need to do a traffic impact study, he pointed out. Mr. McCandless stated that he wished to put on the record that the density for this project would be kept to 12 units or less per acre. He added being known for doing what he had committed to and emphasized that the company’s word was very important to him. Mr. McCandless continued with details of the townhomes. He added that, for a long time, commercial tax dollars had been chased in Roy. However, he pointed out, that had changed as current businesses had to kept in business. He explained that he liked the idea of providing elementary education in the area; therefore, the school was his first choice. Furthermore, he explained that a lot of people had already signed up for attendance at this new school. Affordable housing opportunity, he continued, was a priority across the state. He pointed that the site plan met the policies of the general plan.

City Planner Steve Parkinson stated that there was a request to amend the general plan. The zoning map, he continued, had to be amended to R4. He displayed an aerial map of the location and explained that it was only some portions of the parcel that had to be rezoned, not the whole property. These areas were shown in yellow on the displayed map.

Mr. Parkinson explained that the Planning Commission had held a public hearing the week prior. He explained that the main concerns had been listed in the Staff report. The Staff, he continued, recommended approval for both the general plan amendment and the rezone of the zoning map.

Councilmember Burrell made a motion to go into Public Hearing. Councilmember Paul seconded the motion. All Councilmembers voted “Aye.” The Motion carried.

Jason Sphar, 4400 South 1650 West, explained that he was the sole Planning Commissioner who voted against the plan. He explained that the State was pushing the City to increase its high-density housing. He pointed that most residents, on the other hand, did not want high-density housing. He explained that he believed the location of this project was important and that the project should not be accepted as a whole. He explained that he felt the area would be better being maintained as a community commercial zone and not have the school built. He mentioned that this space would be great for businesses to bring services to residents. He added not being sure when the lighting would be updated in the area. He argued that if the school were to be built, the space would no longer be appropriate to add retail later. While most residents did not oppose living next to a school, he continued, most opposed living next high-density housing. He explained that if the school were built, the rest of the land should be used for single family housing.

Jon Grove, 5011 South 3550 West, stated that his main concern was traffic in the area as he knew the situation was already dire. He explained that turning on 3500 from the West was challenging. He explained often taking another route to avoid the turn. The school, he added, would compound the issue. He explained that school drop-offs and pick-ups would bring a lot of traffic. As a teacher, he explained that he was well aware of the challenges of school generated traffic. He continued stating that multi-unit, high density housing would also create traffic issues. He continued that the proposed road would not alleviate the traffic. He added that the traffic on Midland drive was already very problematic. He explained attending many City Council meetings and added that he felt that whatever added taxes for the City would be voted. He explained that it was more important to consider quality of life. He added that high density housing would lower his property value. He mentioned that single family housing should be considered.

Susan Boyce, 5123 South 3500 West, explained that it had taken her 15 min to get onto the main road

from her house. She continued that her alternative was to take a different path altogether and added that freeway exits were also problematic with traffic sometimes backed for 4 hours. School traffic would only increase the issue, she added. She explained that the past years had brought exponential traffic issues.

Diane Wilson, 4302 South 2675 West, explained that the biggest concern for citizens was the traffic impact. She added that current traffic data showed that townhomes were not the largest issue when it came to traffic, but rather schools were. Since the school was depending on the zoning change, she mentioned that change should be reconsidered. With the new traffic impact studies, she asked whether the Council would reconsider if the study showed a detrimental traffic impact. She added that the infrastructure had to be prepared for the change.

Byron Burnett, 4375 South 2675 West, explained that he had been in front of the Planning Commission in 2015, as there had been an attempt to build apartments in front of his house. The Residential Inlay ordinance, he continued, was supposed to protect residents from such structures. He explained that he had also seen the proposal that would be sent to the State by December 1st. He found the proposal concerning. In 2015, he continued, he had fought the apartment complex with the Inlay ordinance as it would have ruined his view of the sunset, a view he had been enjoying for 47 years. He added that his privacy would also have been compromised. His concern, he continued, was that high-density housing was a trend along the Wasatch Front. He continued that the trend was fueled by the State through State Bill 34. In Ogden, he continued, there was no mixed-use proposal. He continued that SB 34 also called for moderate single home housing. This type of housing, he continued, would be better for the location. He continued that he did not want to see the Council do anything that would negatively impact the City residents. He explained that he did not want to see the State's one size fit all solution be detrimental to Roy. Finally, Mr. Burnett explained that he had sent the Mayor a letter about his concerns.

Tim Roberts, 3613 West, explained he had not planned on talking that evening. He explained that he had been in Utah for 20 years and had lived in a number of areas. He continued that he was watching the Council do what other towns and councils had done: the Council was about to destroy the area. He asked how many people had traveled to California and complained that all they saw was cars, industrial areas, and houses. He explained having been raised there. The drive to build had caused annexations and development in cities. Mr. Roberts pointed to different areas that had been overdeveloped. He explained that overdeveloping was no worth the attendees' souls.

Paul Carter, 5600 South 4975 West, explained that he used Midland every day to go to work. While not opposed to townhomes, he asked the City to make sure it did the necessary changes for traffic. He explained that he had bought his house because it was only 15 min away from his work. Adding a school in the property would impact the community and add a lot of time to commute.

Dustin Kohli, 4044 South 3600 West, explained that while he preferred single family homes, he was not opposed to townhomes. He explained that he was under the impression that the school had already been agreed upon. He added that the aforementioned left turn was near impossible to make. On the commute back to Roy, he continued, there was also a difficult left turn make. He explained that his biggest concern was the traffic in the area. He added also being concerned about the parking for the assisted living facility.

Shawn Henderson, 4833 South 4150 West, stated he lived of the property in question. He wanted to point that hundreds of houses to the West would be affected by this development. He asked whether the rezoning to R4 was contingent with the placing of the school on the property. Mayor Dandoy stated that the approval of the City for the school was to take place that day, as the use was permitted. The question before the Council on that day, he explained, was whether the land highlighted in yellow on the map could be zoned for high density housing. Mr. Henderson explained he had concerns about the intersection

and its ability to withstand more traffic. While glad to know the developer seemed to be true to his promises, the intersection was a crossroads, and many would be affected. He added the intersection was already busy and that more traffic would make it dangerous for children crossing. He explained that a walking bridge or some other consideration had to be offered to increase safety.

Trisha Clark, 4839 South 3600 West, explained she also was concerned about traffic. She stated that this parcel was one of the last large parcels in the City. She continued that a lot of the candidates for Council had mentioned wanting to bring more business to the City. From this standpoint, she added, the City was missing an opportunity. She continued that traffic had to be addressed regardless. She continued that Roy was lacking in restaurants and that building a school would dramatically increase traffic as there was no bus service in the area. She explained having to sometimes wait 15 minutes to make her left turn at the aforementioned intersection and that, as a result, people cut through residential areas. She continued that townhouses would impact property value.

Randy Clydesdale, 4881 Midland Drive, explained that there were no sidewalks across the street from the property to walk to the canal. She added that a walkway would have to be built to protect children from speeding cars. She explained that she had bought her house recently when her street, while a little busy, still felt like a neighborhood. She mentioned being in favor of single-family homes and gave traffic layout recommendations.

Trent Leavitt, 4844 South Midland Drive, explained that there had to be a buffer zone between houses and commercial. He added that his privacy would be voided without a buffer zone. The traffic, he continued, would be an issue regardless of how little it would increase. He explained that he had seen individuals go as fast as 64 mph. He asked whether there was any way to slow traffic down on this street.

Rick Kirk, 4852 South 3500 West, explained that he had lived in his house for 32 years, when the street was a two-lane rural road. Adding more housing, he continued, would compound the problem, bringing all kinds of people in the area. He voiced similar time concerns about the aforementioned intersection. He continued that adding a school would increase traffic but only during certain hours and explained that since the lot had been vacant for 15 years, the owner must have been having a hard time selling it. He expressed that now that a school had shown interest, the owner wanted to maximize his profit by having the remainder of the lot be zoned for high density housing. He explained that any kind of high-density housing would need to be built away from the thorough fare.

Councilmember Paul made a motion to go out of Public Hearing. Councilmember Burrell seconded the motion. All Councilmembers voted "Aye." The motion carried.

Councilmember Paul explained that regardless of the Council's decision, the school would be built as it was one of the allowed uses.

Mayor Dandoy discussed the widening of 3500, which, he explained, had been planned. The project, he continued had been estimated at \$81 million. The project was connected to another widening North of Midland. He explained that the project was in phase 1 (2019-2030). The project was planned, he continued, but not funded. He added that the best estimate was that the road would not be widened until 2024. In terms of taxes, he continued, public schools and charter schools did not pay sales tax. The City would also not get property tax on the school. He added that the school was, however, a great addition to the community, that it was a permitted use, and that the owners felt it was a good choice for the location. The infrastructure, he continued would not be built until 2024. He pointed that 3500 was a UDOT road and that the question could be asked whether there should be a delay to build the school so it came at the same time as the new infrastructure.

Mayor Dandoy stated that SB 34 was important because the State required that Roy had 4 of the 23 elements outlined in the bill. He explained that this was a State law and that things became more complicated when it came to the Transit Station as it forced the City to be compliant. A lack of compliance could mean a loss of transportation investment funds. He explained that this fund was allowing the widening 3500 and 5600. He added that the City could not survive without this funding and explained that the development and building out of West Haven would affect Roy City as it was being used as a transit.

Mayor Dandy addressed the buffer zone as it would be discussed later. He added that the developers could put assisted living on the property as it was a permitted use. He added that speed bumps could be added to 4800.

Mayor Dandoy called for a motion to approve Ordinance 19-12 to amend the general plan (Future Land Use Map) from Commercial and medium density single family to very high density multifamily residential. There was no motion made. The motion died.

With Ordinance 19-12 dying, Ordinance 19-13 also dies due to lack of 19-12.

PUBLIC HEARING

4. Consider Ordinance 19-14 to amend Title 10 Zoning Regulations; Amending CH 10-General Property Development Standards; CH 17 Table of Uses; and CH 31-Definitions

City Planner Steve Parkinson presented Ordinance 19-14 to the Council as constructed by the Planning Commission. He added that the requirements between a non-residential and residential zone were different and continued that there had been a public hearing the week prior: the Staff had been working on the issue for the past three months. He mentioned that six different cities had been studied, including cities both in and outside of Utah to explore different options for screening and landscaping. He explained the table that had been handed to the Council and how to read it. The minimum setback requirement, he continued, was 20 feet, or 1 foot per 1-foot height of building (the greater number would apply). He added that the ambiguity came from the type of material used as screen. He explained that the change in the ordinance had allowed cleaning the language. He added that the ordinance the Council now had presented four different options. Once a developer made a choice, Mr. Parkinson stated, the rest of the process had been set into place. He explained that there was no requirement as to what was considered landscaping. As a result, he continued, the Planning Commission chose to require landscaping. He added that the goal had been to adapt the landscaping and the kinds of screen developers would choose. While the ordinance was complex, it was not as complex as that of other cities. He continued that the ambiguity had been eliminated. The ordinance as it had been added in 2014 only gave partial clarity. He explained that looking at a city in Arizona has given the Planning Commission the idea of offering four options of fencing. Mr. Parkinson pointed to different pictures to illustrate the options and describe their details. He stated that he hoped these options would be better options for the residents. He continued that both the Staff and the Planning Commission recommended approval.

Mr. Parkinson explained that the ordinance took into consideration the Fire Department's requirement and that the ordinance was meant to be applied to one specific area. Councilmember Paul asked if other areas might be considered unique, like the one presently discussed. Mr. Parkinson answered that it might be the case. Councilmember Paul stated that it was important to know which community the Planning Commission had looked at when evaluating screens. Mr. Parkinson mentioned that the developer for Wal-Mart had picked a 50 feet setback.

Councilmember Paul made a motion to go into Public Hearing regarding Ordinance 19-14. Councilmember Burrell seconded the motion. All Councilmembers voted “Aye.” The motion carried.

Braeden Stander, 5044 South 3600 West, explained that he had attended the Planning Commission meeting. He wished to ask why the setback had been changed from 20 to 15 feet and why it did not address issues of height, which continued to be an issue. He continued that the opaque fencing allowed privacy but that if the building was higher, privacy would be foiled. He added the ambiguity had not been fully addressed. He explained that one specific code should supersede the general code.

Jason Sphar, 4400 South 1650 West, explained that when the Planning Commission had worked on this ordinance, it had attempted to give the City more options for screens. He continued that if more work was needed, the Commission would be open to feedback and suggestions.

Kory Crossley, 5552 South 3750 West, asked how the ordinance would affect prior developments. Mayor Dandoy and Councilmember Paul stated that the ordinance would not be retroactive. Mr. Crossley continued that if an area had been built for a retaining wall, the ordinance would allow a fence to be built to at least 6 feet in height. The information was confirmed to be correct: the difference in height had to be accounted for. Mayor Dandoy explained that with any height difference, the fence had to be placed on the higher portion. Mayor Dandoy explained that some engineering approach would have to be used and added the discussion had to be about what was on the property line. Mr. Crossley explained he still was not fully understanding this portion of the code. Mayor Dandoy mentioned that a fence could not be higher than 6 feet. He stated that the Planning Commission had tried to find some mitigation to the ambiguity.

Mayor Dandoy stated that there was an issue with assisted living. He mentioned that if the ordinance was passed as it was to take the ambiguity out of the prior ordinance. He explained that he had read through the new ordinance and could still see some ambiguity: different portions called for different kinds of screens. He continued that Mr. Crossley’s question could be answered. If the ordinance was approved today, it would change things moving forward. The question, he added, was how to grandfather prior fences: the issue, he added, still had to be resolved.

Mr. Crossley stated that he did not believe the current requirement addressed the grandfathering of prior fences and their ambiguity.

Mayor Dandoy stated that the masonry fences wall would have to be allowed to be 12 feet high to satisfy the issue. His opinion, he added, was that if the ordinance passed during the meeting, any project forward would have to follow the ordinance. Mayor Dandoy discussed the details of the different height and materials. He continued that modifying the ordinance to include a 12-foot requirement, any development forward would have to follow the same rules. He mentioned that landowners might want to change their fencing, but that they would not be forced to. If the ambiguity were to be taken out tonight, he added, it might have consequences for the senior living facility. His main concern, he continued, was that the Council had to make a decision to ensure that the ambiguity did not manifest itself again in new developments. He added that more developments were coming.

Mr. Crossley explained that there was no delineation between offers for residential and commercial. He added being concerned about the shortening of the buffer to 15-feet. Mayor Dandoy stated that the Council could approve the proposal with amendments.

Trudy Crossley, 5552 South 3750 West, stated that her concern was that the previous code had been tied to a CC and an R1310. The current ordinance, she pointed, stated that the change was for any non-

residential zoning. She stated that the ambiguity was coming from the lack of specifics for certain zones. She added being concerned about height differences on the property line. She pointed to the height of screen behind her property and explained the owners had been able to not do a 6 feet fence. She mentioned she was concerned about taking away a view for residents. She asked how that specific property had been able to build 3 feet off the property line. She stated that not measuring from the highest elevation was creating the issue and continued that she did not like how so much language had been struck out.

Councilmember Paul made a motion to close the Public Hearing. Councilmember Tafoya seconded the motion. All Councilmembers voted “Aye.” The motion carried.

Mr. Parkinson stated that if the Council had any concerns, the ordinance could be turned back to the Planning Commission to make changes. All Councilmembers agreed that the ordinance needed to be tabled for a work session.

Councilmember Paul made a motion to table Ordinance 19-14 for a work session jointly with the Planning Commission. Councilmember Burrell seconded the motion. Councilmember Burrell and Paul voted “Aye.” The motion carried.

Councilmember Paul stated that there were different situations in the City when the City had to be able to change the requirements. He added that the Council had to have that flexibility. Mayor Dandoy stated that he had two “Ayes” to table, as a result the ordinance was tabled.

Mayor Dandoy asked for a joint meeting. City Manager Andrews stated that it was important to remember that the City management and the Council were separate forms of government. He added that as a result, the City had to be careful with having joint meetings so often. He explained that sometimes the Staff might feel that after all their work, the Council still did not vote in accordance. He added this was perfectly normal as things were being looked at independently. He explained that during the present meeting, the Council had looked at things differently from the Staff.

PUBLIC HEARING

1. Consider Ordinance 19-15 Amendments to Title 10 Zoning Regulations; amending CH 17 Tables of Uses; table 17-1 “outside storage of Recreational Vehicles (Limited)”

City Planner Steve Parkinson presented Ordinance 19-15 to the Council as constructed by the Planning Commission. He explained that at the time it was adopted, it was meant to limit the number of RVs stored on a property and the time they could be stored. Looking at the ordinance, he described an image projected for the Council. As long as RVs were parked legally on an approved surface, he added, the number should not matter. As a result, the Planning Commission had removed the number limitation. Councilmember Paul asked if an RV could be parked in front of a garage. Mr. Parkinson stated that this would not be possible. Mayor Dandoy pointed that many citations were issued for RV parking. He was answered that the number of citations was low if any. The details of how the RVs should be parked were discussed.

Mr. Parkinson stated that the ordinance was a result of the Staff’s research and thought process, but that anything could be changed if needed. The question, he added, was whether people should park in front of their two-car garage and eliminate the required parking. He continued that all RVs parked on a property had to be owned by the property owner or current person leasing. Councilmember Tafoya asked how long a visitor could stay parked. The question was whether someone could rent a portion of their land for someone to park an RV. Councilmember Burrell stated that family should be no exception. Mr.

Parkinson stated that every ordinance posed a difficulty in enforcement. Councilmember Paul stated that this ordinance had become an issue because someone was having trouble with visibility when backing out of their house. More guidelines, he added, might mean the City was too involved in property rights.

Mayor Dandoy read the ordinance. Embedded in the current language, he explained, was ambiguity about ownership, length of storage, and recreational vehicles v. trailer and snowmobiles. He explained that if storage had not been an issue, the language should have been struck from the ordinance. As it stood, he continued, the ordinance was unenforceable. He added that the government should not create a law that is unenforceable. He asked for a motion that would strike out the problematic language. The City should not have to interpret the language, he continued: the word storage was problematic as the so-called storage could be located in the back of a house. He concluded that the ordinance should be tabled or amended.

Councilmember Tafoya made a motion to go into Public Hearing regarding Ordinance 19-15. Councilmember Burrell seconded the motion. All Councilmembers voted “Aye.” The motion carried.

Glenda Moore, 2080 West 3825 South, stated she owned only one car. She argued that if she wished to park vehicles at her house in her empty driveway, she should be able to do so. She asked the Council to not make stupid laws, or unenforceable ones.

Sean Anderson, 4833 South 4150 West, explained that there were plenty of ways to allow citizens to use their property as a business with via apps and such. He added that this should be addressed.

Diane Wilson, 4302 South 2675 West, explained she agreed with what she had heard. She added being concerned about having her rights being limited by restrictions. As property owners, people had a say about their pursuit of happiness, she concluded.

Lance Hancock, 4490 South 1650 West, explained that he concurred with the rest of the comments. He added that he might have been in violation of the ordinance himself. He mentioned that things should be kept simple, and that there was no need to further restrict citizens.

Braeden Stander, 5544 South 3750 West, stated he agreed with the comments made. He explained that when the homes were initially built, driveways were not well thought out. He stated having seen his family’s trailers sometimes staying for a few weeks at their property.

Councilmember Paul made a motion to close the Public Hearing. Councilmember Tafoya seconded the motion. All Councilmembers voted “Aye.” The motion carried.

Councilmember Burrell asked if citizens would approve of their neighbors parking several vehicles that did not belong to them. Mr. Parkinson stated that this portion could be amended. Councilmember Burrell stated that she did not wish to see individuals with lots of land park numerous vehicles on it.

Staff had mentioned that the issue was trailers blocking the sidewalk. Councilmember Paul stated that nothing should block a sidewalk. Mr. Parkinson stated that the last bullet point was the same as the strike-out portion. Council members discussed different potential amendments.

Councilmember Paul made a motion to approve Ordinance 19-15 with amendments as stated. Councilmember Burrell seconded the motion. A roll call vote was taken. Councilmember Burrell voted “nay,” Councilmember Tafoya voted “nay,” and Councilmember Paul voted “Aye.” The motion died due to lack of votes.

Councilmember Tafoya then motioned to table Ordinance 19-15. Councilmember Paul seconded the motion. All Councilmembers vote “Aye.” The motion carried.

F. Public Comments

Mayor Dandoy opened the floor for public comments.

Mrs. Diane Wilson asked the purpose of having gravel or asphalt on concrete. Councilmember Tafoya stated that it had to do with ground waters and trenches. Mrs. Wilson was told to contact Engineering. Mr. Parkinson added this might have to do with the weight of vehicles as well as the overall look of Roy City. Mrs. Wilson asked why this was a City matter as opposed to a property owner matter. Councilmember Burrell explained that the choice of material might impact neighbors.

Mayor Dandoy closed the floor for public comments.

G. Reports and Discussion

1. City Manager Report

Mr. Andrews reported on the following:

- Mr. Andrews explained that elections were to take place on November 5, 2019. The City, he added, would offer snacks at 7:45 p.m. to watch the election results.
- Mr. Andrews explained that the Podium Speaker System was being worked on for a better solution. He added that two court dates were being canceled while the system was being reconfigured. The problem, he explained, was that often, when turned too high, the sound would echo back into the microphone.

2. Mayor and Council Report

Mayor reminded those in attendance of the Trunk or Treat event on October 25, 2019. He explained that the Council's theme was Western.

H. Adjournment

Councilmember Burrell Motioned to Adjourn the City Council meeting at 8:15 p.m. Councilmember Tafoya seconded the motion. All Councilmembers voted “Aye.” The motion carried.

Robert Dandoy
Mayor

Attest:

Morgan Langholf
City Recorder

dc:

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ROY CITY CORPORATION

Roy, Utah

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

ROY CITY CORPORATION

Roy, Utah

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Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2019

Prepared by:

*Camille Cook
Management Services Director*

ROY CITY CORPORATION
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

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ROY CITY CORPORATION
Comprehensive Annual Financial Report
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INTRODUCTORY SECTION

Mayor
Robert Dandoy

City Manager
Matthew D. Andrews



City Council
Jan Burrell
Bryon Saxton
Joe Paul
David E. Tafoya
Karlene Yeoman

For Discussion -
Purposes Only

November 8, 2019

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Roy:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of Roy City Corporation for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of Roy City Corporation. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of Roy City Corporation has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Roy City Corporation's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Roy City Corporation's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Wiggins & Co., P. C. a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Roy City Corporation for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Roy City Corporation's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Roy City Corporation's MD&A can be found immediately following the report of the independent auditors.

Entities receiving funding from the federal government are federally mandated to undergo a "Single Audit" designed to meet the special needs of federal grantor agencies. The Single Audit Act of 1996 and the U. S. Office of Management and Budget's Uniform Guidance governing single audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also

on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal control and legal requirements involving the administration of federal awards. Although the City received funds under federal financial assistance programs, the revenue was not sufficient to require a single audit.

The State of Utah requires the City to be audited in accordance with Government Auditing Standards (GAO Yellow Book 2018 Revision) and sets forth general requirements for auditors to follow in its Compliance Manual for Audits of Local Governments. The City is responsible for compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort or earmarking; and other special tests and provisions applicable to each of its major state assistance programs as required by the State of Utah Legal Compliance Audit Guide.

Profile of the City

The City of Roy was incorporated on March 10, 1937 as Roy City Corporation. It is located in the northern part of the state along the Wasatch Front. Hill Air Force Base borders the City on the east and provides employment to many of the City's residents. Roy City Corporation currently occupies a land area of 7.8 square miles and serves a population of approximately 38,000. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

Roy City Corporation operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of a Mayor and five other members, known as the City Council. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City's manager. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City, and for appointing the directors of the various departments. The Mayor and City Council are elected on a non-partisan, at-large basis and serve four-year staggered terms.

Roy City Corporation provides a full range of services, including police and fire protection; water, sewer and sanitation; construction and maintenance of highways, streets, and other infrastructure; and recreational activities. The governing council of the City also serves as the Board of Directors for the Redevelopment Agency of Roy, Utah (RDA). The RDA is a separate legal entity, but due to the oversight responsibilities of the City's governing council in the decision making process, is reported within the financial statements of Roy City Corporation. Additional information on the RDA can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for Roy City Corporation's financial planning and control. All departments of the City are required to submit requests for appropriations to the Budget Officer in March of each year. The Budget Officer and City Manager use these requests as the starting point for developing a tentative budget. The Budget Officer then presents the tentative budget to the governing council at their first meeting in May. The council is required to hold public hearings on the tentative budget and to adopt a final budget no later than June 22nd. The appropriated budget is prepared by fund, and department (e.g., police). Department Directors may make transfers of appropriations within a department. Transfers of appropriations between departments require approval of the governing council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the major governmental funds, this comparison is presented on pages 38-40 as part of the basic financial statements for the governmental funds. For governmental funds

with appropriated annual budgets, other than the major governmental funds, this comparison is presented in the governmental fund subsection of this report, which starts on page 87.

Local Economy

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Roy City Corporation operates. The local economy in Roy continues to see growth. In FY 2019 sales tax revenue increased 3.16% compared to 5.47% in FY 2018. Sales tax revenue continues to exceed prior year's highs, but overall growth is slowing. The administration anticipates the State's economy to continue to improve and thus has budgeted a small increase for FY 2020.

Another major revenue source for Roy City is its property taxes. The tax base remains strong. Residents and businesses take pride in their properties, keeping them well maintained and of value to the owners. Property taxes are the City's greatest individual revenue source next to sales taxes, and provided 21.63% of the total general fund revenue. In FY 2019, property tax revenue, including prior year delinquencies, grew by \$80,772, or 2.22%. A nominal increase is expected for FY2020.

Currently, a few smaller residential subdivisions are under development. A single family home subdivision, West Park phase three, is under construction on 4800 South between the Union Pacific Railway and the Utah Transit Authority Rail Trail. The new phase will have 27 lots. James Place subdivision is nearing completion and will have 12 lots total located around 5425 South 4000 West. Crestwood subdivision is located at approximately 6000 South 4300 West and will have 65 lots. Another single family home subdivision, JP Bar Farms will have 14 lots located at approximately 6000 South 4025 West.

The City has located within its boundaries or within close proximity major industries that provide employment to local residents. This includes an air force base, school district, and manufacturing facilities. Because of the nature of these employers and the diversity of industries throughout the State of Utah, unemployment in the area has not been as significant as other states. According to the Bureau of Labor Statistics, in June 2019 the local unemployment rate was 3.5%. This is a decrease of .2% from the same time in 2018. The local unemployment rate is well below the national rate of 3.7%. Of the nonfarm wage and salary employment, locally, jobs were up in all areas except information. Some of the largest increases occurred in mining, logging and construction of 8.3%, education and health services of 8.6%, and leisure and hospitality of 8.3%.

Long-term Financial Planning

It is the policy of the Roy City Council to maintain a fund balance that ensures adequate reserves that will provide financial stability in the event of an unanticipated economic downturn. The State of Utah limits the amount of assigned and unassigned fund balance the City can have to 25% of budgeted general fund revenues. Normally, these amounts will not be programmed for expenditure and are only available for use within the confines of expenditure limitation imposed by the State of Utah. Unassigned fund balance was \$4,090,711 at June 30, 2019, and \$3,485,664 at June 30, 2018. In the past, Roy City has maintained its general fund balance near maximum levels. The City Council has elected to maintain the fund balance levels around 18%.

The City Council and administration have long strived to finance City operations on a pay as you go basis. The City has been successful at this and has very low debt compared to other cities of similar size. After the completion of a long-term capital improvement plan, the City saw the need for financing alternatives in order to complete necessary projects. Since the completions of the study, the City has secured long-term financing for fire trucks, remodeling of the Municipal Building, and improvements to the water and sewer

infrastructure system. The Series 2008 Water & Sewer Bonds were called and reissued to the Series 2017. This is a savings of \$51,810 in the first year. For more information on the City's long-term debt, see the Detailed Notes to the Financial Statements pages 67-68.

Major Initiatives

The City's Beautification Committee is comprised of the Mayor, two Council Members, the City Manager, the Management Services Director, the Public Works Director, and the Parks and Recreation and Recreational Facilities Director. In FY 2019, the Beautification Committee focused on installing historical markers at various locations throughout the City and seeking volunteers to assist in the maintenance of the D&RG trail.

The City's Economic Development Committee continues to look at ways to entice businesses into the City. This committee is comprised of the Mayor, two city council members, and the City Manager. Roy City contracted with a local redevelopment professional to work alongside the Economic Development Committee in their endeavors. It is the intent of the governing council to emphasize economic development within the City. Maintaining economic vitality and promoting the unique dynamics of each economic district within the City is a priority.

The City has been working to improve park amenities and facilities. Parks are an important part of our community and a priority for City Council. In FY 2019 a splash pad was added to George Wahlen North Park. Fitness stations and improvements to the walking path were added to Municipal Park.

The City is also in the process of updating the General Plan. The General Plan is an official document intended to help the public understand the broad planning goals for the City, and to assist City staff and decision makers as they evaluate future development and growth opportunities. The focus of this update is on land use and related topics. Updating the General Plan provides an opportunity for the citizens of Roy to take a look at the community today and determine what areas requires improvement and to peer into the future and plan for anticipated changes. The General Plan typically has a life of five to ten years, although it establishes a future vision for twenty years or more.

Adoption of the General Plan updates will require associated zoning ordinances, development guidelines and other implementation tools to be revised and adjusted to be in alignment with the general plan. For example, the City Center and Station Area form-based codes were developed concurrently with this planning process, ensuring that the policies and specific codes are fully aligned with the planning vision.

The City Council continues to be aware of the changing dynamics of Roy City. Every year, less land is available for residential development. The lack of residential land and commercial buyers leads developers to request multi-family projects within commercial zones. The City Council is looking to review and possibly amend the general plan to deal with zoning and address the idea of transit oriented development around the Frontrunner station on 4000 South. Any new development adds traffic to already crowded City streets. Traffic concerns negatively impact the idea of multi-family housing or any large residential development within the City. In the future, developers will be required to address traffic flow as part of the development process.

Independent Audit

The State Uniform Fiscal Procedures Act (10-6-151) requires an annual audit of the City's accounts by an independent auditor. The City has complied with this requirement and the auditors' opinion has been included in this report.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Roy City Corporation for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfies both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the City who assisted and contributed to the preparation of this report, and to our auditors, Wiggins & Co., P. C., for their cooperation. Credit must also be given to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of Roy City Corporation's finances.

Respectfully submitted,



Camille Cook
Management Services Director

ROY CITY CORPORATION
List of Elected and Appointed Officials
June 30, 2019

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Elected Officials

Robert Dandoy ----- Mayor
David E. Tafoya ----- City Councilperson
Karlene Yeoman ----- City Councilperson
Jan Burrell ----- City Councilperson
Bryon Saxton ----- City Councilperson
Joe Paul ----- City Councilperson

Executive, Legal and Budgetary Officials

Matthew D. Andrews ----- City Manager
Andrew H. Blackburn ----- City Attorney
Camille Cook ----- Budget Officer

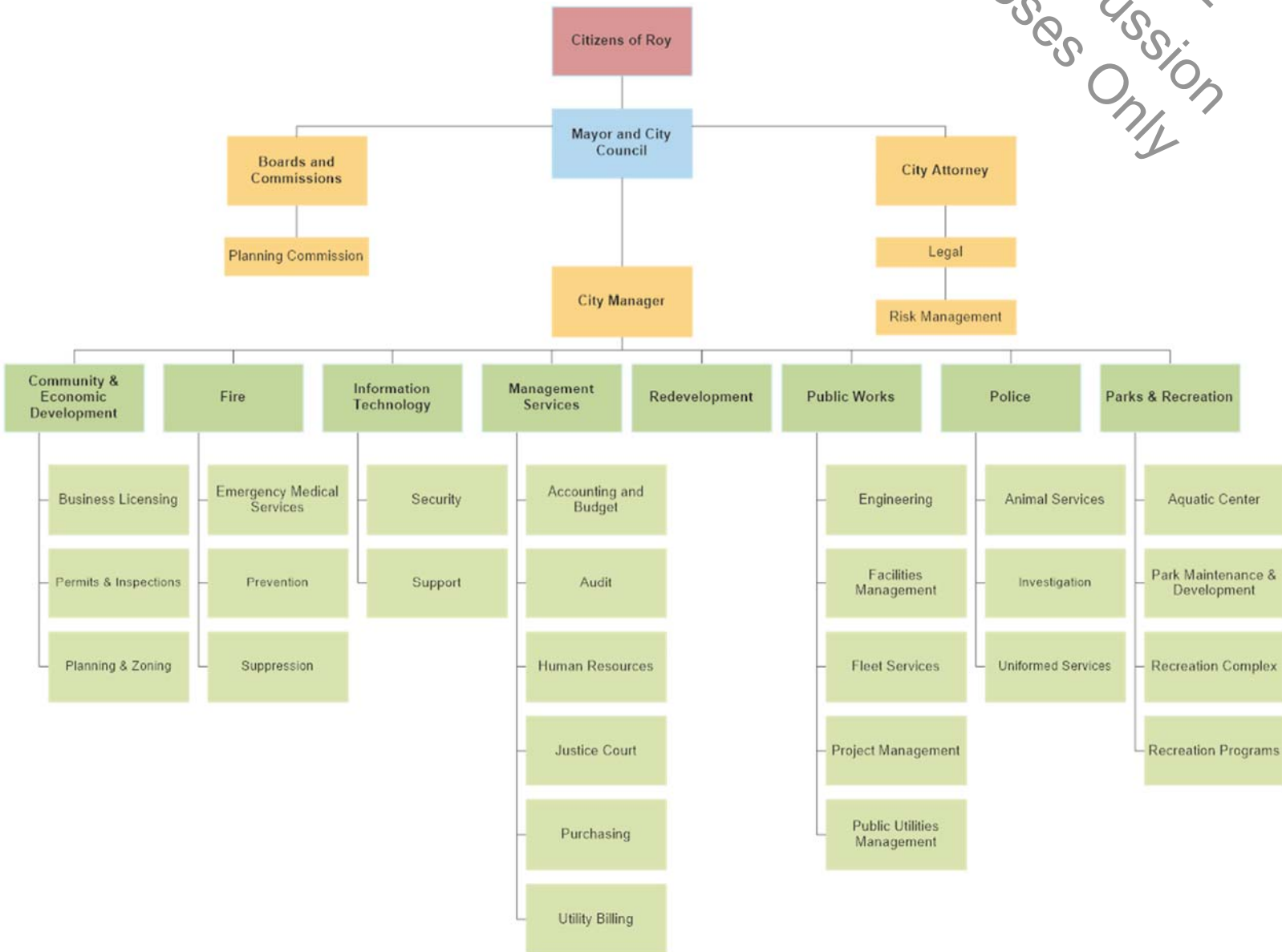
Statutory Appointed Officials

Carl G. Merino ----- Chief of Police
Morgan Langholf ----- City Recorder
Nicole L. Higgs ----- City Treasurer
Mark T. Miller ----- City Engineer
Trent D. Nelson ----- Justice Court Judge

Department Directors

Jeffrey R. Comeau ----- Fire Chief
Camille Cook ----- Management Services Director
S. Ross Oliver ----- Public Works Director
Travis J. Flint ----- Parks & Recreation and Recreational Facilities Director

ROY CITY CORPORATION Organizational Chart



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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Roy City Corporation
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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For Discussion
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
Roy City Corporation, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Roy City Corporation (City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Roy City Corporation, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information on pages 16 - 28 and 78 - 81 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Roy City Corporation's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparisons schedules, capital asset schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, including the budgetary comparisons schedules, and the capital asset schedules, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other supplemental budgetary schedules and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 13, 2019 on our consideration of Roy City Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Roy City Corporation's internal control over financial reporting and compliance.

Ogden, UT
November 13, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Roy City Corporation's discussion and analysis is designed to assist the reader in focusing on significant financial issues; provide an overview of the City's financial activity; identify changes in the City's financial position; and identify any material deviations from the budget.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, we encourage readers to consider the information presented in conjunction with the letter of transmittal and the City's financial statements.

Financial Highlights

- The City's net position increased by \$847,227. Governmental activities incurred an increase of \$286,129 from operations, while business-type activities resulted in an increase of \$561,098.
- The assets and deferred outflows of resources of Roy City Corporation exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$74,495,451 (net position). Of this amount, \$14,450,907 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$12,700,858, an increase of \$294,925 from the prior year. Approximately \$8.55 million of the total amount is available for spending at the City's discretion within the general, capital projects and special revenue funds.
- At the close of the fiscal year, unassigned fund balance for the general fund was \$4,090,711 or 32.21% of the total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements which are comprised of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the City's finances in a manner similar to a private-sector business. The governmental and business-type activities are consolidated into columns which add to a total for the primary government.

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, the reader will need to consider other non-financial factors. This statement combines and consolidates governmental fund's current financial resources with capital assets and long-term obligations.

The *statement of activities* presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of Roy City Corporation that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and

charges (business-type activities). The governmental activities of Roy City Corporation include general government, public safety, highways and streets, community and economic development, redevelopment, culture and recreation, storm sewer development, and park development. The business-type activities of Roy City Corporation include the Water and Sewer Utility Fund, Storm Sewer Utility Fund, and Solid Waste Utility Fund.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate entity, the Redevelopment Agency of Roy Utah (RDA) for which Roy City Corporation is financially accountable. Although a legally separate entity, this *blended component unit* is, in substance, part of the City's governmental operations and is included as part of the primary government for financial reporting purposes.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into two categories: governmental funds, and proprietary funds.

Governmental funds. These funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Roy City Corporation maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the redevelopment fund. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Proprietary funds. Roy City Corporation maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Utility, its Storm Sewer Utility, and for its Solid Waste Utility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. Roy City Corporation uses internal service funds to account for its management information systems and risk management activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Utility and Solid Waste Utility, which are considered to be major funds of Roy City Corporation and the Storm Sewer Utility, which is considered to be a non-major fund. Conversely, the two internal service

funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of *combining statements* within this report. Some of the City's administrative personnel provide services to both general municipal and utility operations. These individuals are paid through the general fund. Resources are transferred from the various enterprise funds to the general fund to cover a portion of the salaries attributed to utility operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Roy City Corporation, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$74,495,451 at the close of the most recent year, June 30, 2019.

Key elements of the City's net position can be found in the table below:

Roy City Corporation's Net Position (Stated in Thousands of Dollars) As of June 30						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 18,455	\$ 17,989	\$ 11,449	\$ 10,162	\$ 29,904	\$ 28,151
Capital assets	35,805	35,537	24,748	25,497	60,553	61,034
Total assets	54,260	53,526	36,197	35,659	90,457	89,185
Deferred outflows	3,197	3,309	270	283	3,467	3,592
Total assets and deferred outflows of resources	57,457	56,835	36,467	35,942	93,924	92,777
Long-term debt	-	1,571	3,776	4,722	3,776	6,293
Other liabilities	9,094	4,835	2,194	1,122	11,288	5,957
Total liabilities	9,094	6,406	5,970	5,844	15,064	12,250
Deferred inflows	4,317	6,670	48	210	4,365	6,880
Total liabilities and deferred inflows of resources	13,411	13,076	6,018	6,054	19,429	19,130
Net position:						
Net investment in capital assets	36,062	35,589	20,253	20,534	56,315	56,123
Restricted	3,729	2,861	-	-	3,729	2,861
Unrestricted	4,255	5,309	10,196	9,355	14,451	14,664
Total net position	\$ 44,046	\$ 43,759	\$ 30,449	\$ 29,889	\$ 74,495	\$ 73,648

The change in net position for the current and prior year is as follows:

Roy City Corporation's Changes in Net Position
(Stated in Thousands of Dollars)
As of June 30

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues						
Charges for services	\$ 3,927	\$ 3,778	\$ 11,366	\$ 11,057	\$ 15,293	\$ 14,835
Grants and contributions:						
Operating	1,641	1,942	-	-	1,641	1,942
Capital	233	482	-	59	233	541
General revenues						
Property taxes	3,779	3,692	-	-	3,779	3,692
Other taxes	8,801	8,787	-	-	8,801	8,787
Investment earnings	385	221	233	146	618	367
Contributions from other gvts	711	662	-	-	711	662
Other	246	973	253	230	499	1,203
Total revenues	<u>19,723</u>	<u>20,537</u>	<u>11,852</u>	<u>11,492</u>	<u>31,575</u>	<u>32,029</u>
Expenses:						
General government	5,718	3,819	-	-	5,718	3,819
Public safety	8,786	8,656	-	-	8,786	8,656
Public works	2,103	2,800	-	-	2,103	2,800
Parks and recreation	2,830	3,190	-	-	2,830	3,190
Interest and fiscal charges	-	1	-	-	-	1
Water and sewer utility	-	-	8,431	8,158	8,431	8,158
Storm sewer utility	-	-	726	670	726	670
Solid waste utility	-	-	2,134	1,893	2,134	1,893
Total expenses	<u>19,437</u>	<u>18,466</u>	<u>11,291</u>	<u>10,721</u>	<u>30,728</u>	<u>29,187</u>
Increase (decrease) in net position	286	2,071	561	771	847	2,842
Net position - beginning	<u>43,760</u>	<u>41,688</u>	<u>29,888</u>	<u>29,117</u>	<u>73,648</u>	<u>70,805</u>
Net position - ending	<u>\$ 44,046</u>	<u>\$ 43,759</u>	<u>\$ 30,449</u>	<u>\$ 29,888</u>	<u>\$ 74,495</u>	<u>\$ 73,647</u>

By far, the largest portion of the City's net position, 81.87%, reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (8.47%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$14,450,907, may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year and prior fiscal year, Roy City Corporation is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The City has no individual funds reporting a deficit in unrestricted net position.

The City implemented GASB 68 on Accounting and Financial Reporting for Pensions in FY 2015. The Statement makes changes to the way transactions are recorded for pensions provided to the employees of state and local government employers through pension plans that are administered through trusts.

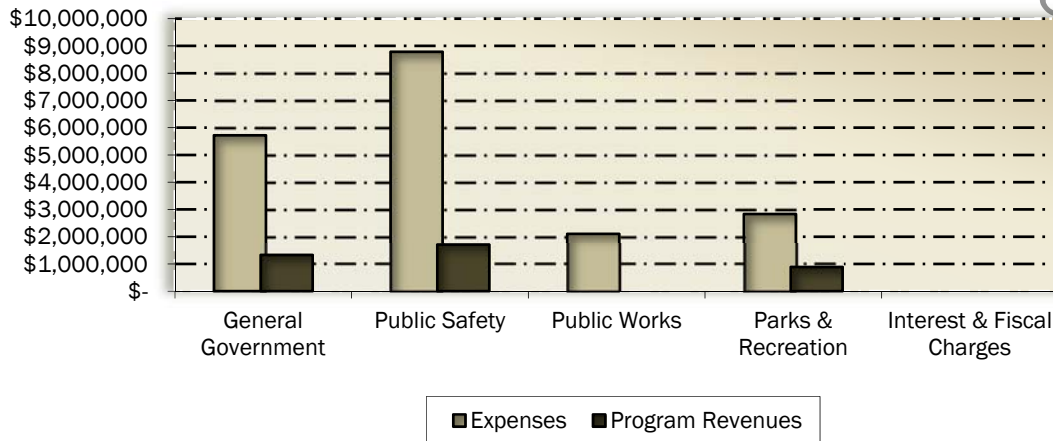
Governmental activities increased Roy City's net position by \$286,129 while business-type activities increased net position by \$561,098.

Governmental activities. The governmental activities portion of the change in net position accounted for a 0.38% increase in the growth for the City as a whole.

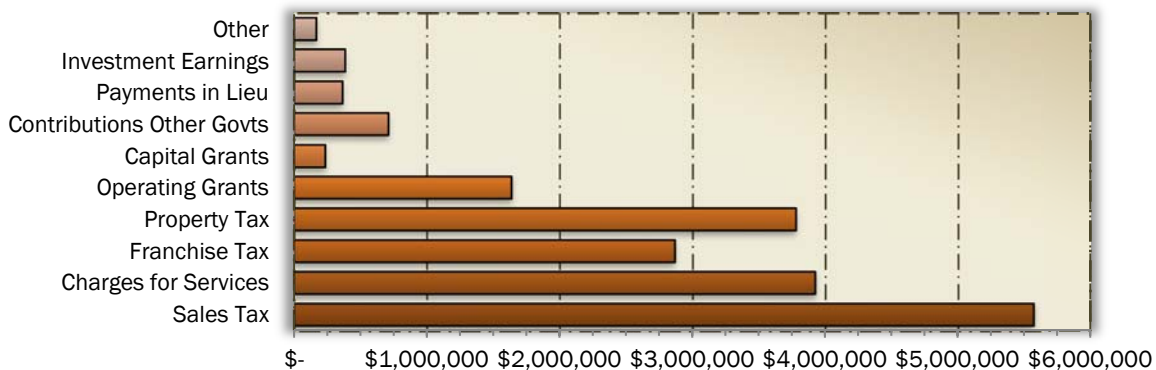
- Overall, property taxes increased by \$114,294 in the governmental funds. Property taxes in the general fund increased by \$74,266, and the increment received by the RDA increased \$40,028. The increase for the general fund can be attributed to the new growth added to the City. The change for the RDA is the result of an increase to property values.
- Sales tax increased \$170,752 or 3.16%. The economy in the State of Utah continued a strong growth pattern.
- Other taxes were down \$157,230 over the previous fiscal year. Of that amount, \$33,881 represents a loss in telecom gross receipts. Franchise taxes decreased by \$90,246. Payments in lieu of taxes reflects a decreased, \$14,436, or 3.81%.
- Class C Road funds received were up 6.52%, or \$87,449 from 2018.
- A new local option sales tax was approved by voters in Weber County in 2015. The allocation to cities can be used for transportation infrastructure as well as pedestrian safety. Roy City received \$406,982 from the tax in FY 2019.
- Revenue from charges for services increased \$125,396 in comparison to FY 2018. The largest increases came from Ambulance fees, \$272,661; and plan check fees, \$65,391. There was a decrease in Fire & Rescue IASIS transport fees of \$123,619 due to decreased transport calls; a decrease in Aquatic Center revenue of \$31,567 due to a decrease in attendance on a number of cold days during the summer.
- Roy City's average yield on investments in the Utah Public Treasurer's Investment Fund was 2.80% in FY 2019, and investment balances were up at the end of the year. As a result, revenue from interest increased by \$150,006.
- Total expenses for wages and benefits decreased \$180,060, or 1.46%, from FY 2018. A 2% - 2.5% merit was given to eligible public employees and a 3.75% merit for eligible public safety employees. In addition, there were numerous retirements where employees were paid out for their accrued vacation and sick leave and the new employees in those positions were paid less than their predecessors.
- Operating expenses decreased from FY 2018 by \$180,060. Highlights of the net decrease include Street repairs and maintenance in the Class C Road Fund were down \$71,717 and down \$284,769 in the Transportation Infrastructure Fund. A decrease of \$32,672 in election expenses due to a non-election year and an increase of \$38,382 in council contingency due to historical markers, the magazine publication, and lighting on 1900 West in the legislative department. In the building maintenance department we had an increase of \$27,149 for the maintenance of the Streetlights
- Capital expenditures decreased \$754,996, or 43.97% decrease over FY 2018. Improvements were made to George Wahlen North Park; and a new ambulance and power load equipment were purchased for the Fire & Rescue Department.

The following graphs display a different perspective on governmental activities reflected in the City's statement of activities:

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



Business-type activities. The business-type activities portion of the increase in net position was 0.76% of the total growth for the City. At the end of the current fiscal year, all of the City's business-type funds reported positive net position.

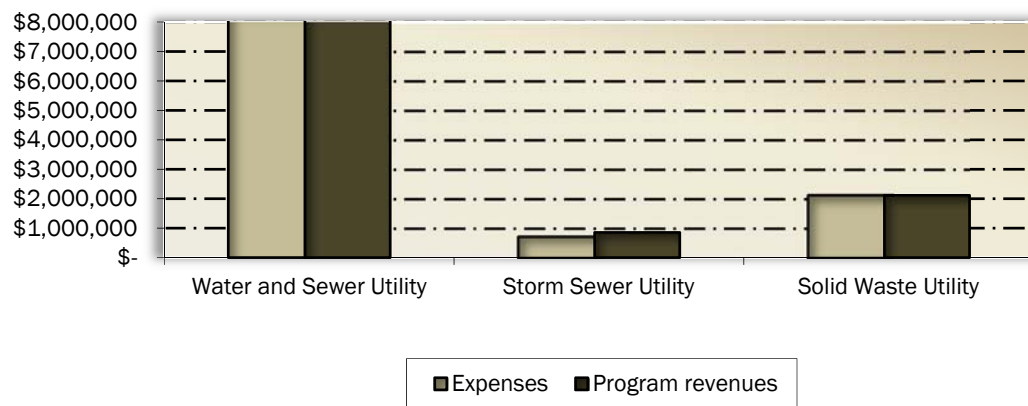
Key elements of the increase to net position of business-type activities include:

- Revenue from water, sewer, capital improvements, storm sewer and garbage services had an increase of \$332,396. Water revenue is up \$161,690, due to a rate increase. Sewer revenue increased \$43,043. One of the City's sewer service contractors continued to raise rates as part of a five year plan. The rate increase was passed along to the customers increasing the base rate. Storm sewer revenue increased \$3,657. The City's garbage collection revenue increased \$39,493 due to increased garbage collection rates.
- Impact and connection fees related to new construction increased \$13,700, largely a result of commercial projects.

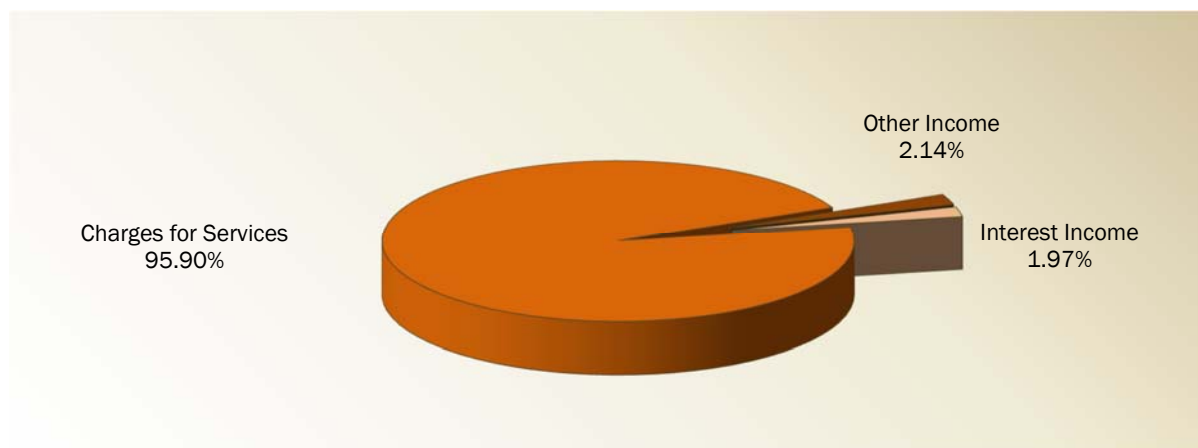
- Total expenses for wages and benefits was up \$67,045 from FY 2018. As stated above, a cost was up due to a 2.5% merit was provided to employees and health insurance increase. The increased rates affect wages, taxes, and retirement.
- Overall, operating costs increased \$503,774 in FY 2019. Water meter costs increased \$132,933 to replace meter to radio reads. This will be a five year project. Contract rate for sewer increase by \$41,011 as a result of a capital improvement plan implemented by the sewer district. Culinary water fees increased \$33,036 due to an increase by the provider. Maintenance of the storm sewer system was up \$880. Disposal fees for solid waste increased \$53,988. Due to the increased rates for water and sewer, franchise fees were up \$12,238 and \$4,326 for Solid Waste, respectively.
- Debt service decreased by \$26,398. Interest expense is reduced as the debt is repaid.

The following graphs display a different perspective on business-type activities reflected in the City's statement of activities:

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, Roy City Corporation uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$12,700,858, an increase of \$294,925 from the prior year. Approximately 32.21%, or \$4,090,711, of this amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The fund balance of Capital Projects and Special Revenue Funds are classified as assigned and available for fund operations. At June 30, 2019, \$2,161,528 was available for spending in these funds. The remainder of fund balance is classified to indicate that it is not available for spending because it 1) cannot be spent because of its form, 2) is restricted by external sources, or 3) is committed to specific use.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,090,711, while the total fund balance was \$8,552,279. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 22.57% of total general fund expenditures, while total fund balance represents 47.18% of that same amount. During the fiscal year, the fund balance of Roy City Corporation's general fund (GAAP basis) increased by \$605,047 which is \$598,175 more than the prior year. When comparing FY 2019 to FY 2018 there was 1) a 1.55% decrease in revenue of \$288,546, 2) a 4.57% decrease in expenditures of \$797,145, 3) a decrease in the gain on sale of assets of \$904,496 for the sale of land, and 4) a 404% decrease in the amount transferred to capital projects funds of \$1,656,900.

Included in the *governmental funds* is \$1,535,415 which is assigned for specific capital projects. The capital projects fund accounts for financial resources the City has set aside for the acquisition or construction of major capital facilities and equipment, other than those financed by proprietary or special revenue funds. During FY 2019 the fund balance in the capital projects funds decreased by \$1,066,014 compared to a \$798,683 increase in FY 2018. When comparing FY 2019 to FY 2018, the decrease can be attributed to a 13.09% increase in project expenditures of \$1,516,232. At June 30, 2019, fund balances available for specific capital projects include Capital Improvements of \$367,831, Recreational Facilities Improvements of \$470,636, and Fire & Rescue Facilities and Equipment of \$696,948.

Also included within the *governmental funds* is \$2,613,164 which is assigned for specific purposes. For these special revenue funds, fund balance increased by \$90,175 compared to an increase of \$235,453 in FY 2018. When comparing FY 2019 to FY 2018, the change of \$90,175 is a result of 1) a 10.92% increase in property tax revenue of \$65,088, 2) a 45.95% increase in impact fees of \$203,190, 3) a 44.57% increase in investment earnings of \$76,511, 4) a 34.44% decrease in cemetery fees of \$180, 5) a 21.88% increase in operating expenditures of \$290,734, 6) a 93.67% increase in capital outlay of \$302,126, and 7) a 10.82% increase in contributions from other government units of \$304,160. At June 30, 2019, available fund balances in these special funds included Redevelopment Agency \$2,034,435; Storm Sewer Development \$131,265; Park Development \$282,443; and Cemetery \$165,021.

Proprietary funds. Roy City Corporation's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the water and sewer utility fund at the end of the fiscal year was \$4,663,335, for the storm sewer utility fund unrestricted net position was \$1,466,454, and for the solid waste utility

fund unrestricted net position was \$3,839,396. Net position for all proprietary funds increased. The increase for the water and sewer, storm sewer utility, and solid waste utility funds was \$429,164, \$232,171 and \$136,826, respectively.

The increase in net position for the water and sewer utility fund was higher than the increase in FY 2018 by \$108,516. Operating revenues for the water and sewer utility fund increased \$230,334, or 2.68% from the prior year, while operating expenses increased \$380,541 or 4.57%.

The increase in net position for the storm sewer utility fund was lower than the increase in FY 2018 by \$13,185. Operating revenues for the storm water utility fund decreased \$22,941, or 2.69% from the prior year, while expenses increased \$56,526 or 7.78%.

Operating revenue for the solid waste utility fund increased \$75,286 or 3.55% from FY 2018. Operating expenses increased \$240,325 or 11.26%. These factors resulted in an increase in the change in net position of \$136,826 from FY 2018.

General Fund Budgetary Highlights

During the fiscal year, the general fund's original budget for expenditures and other financing uses was amended from an original total of \$16,666,022 to a final budget of \$17,475,412, an increase of \$809,390 or 4.63%. Some of the more significant budget changes to individual revenue and expenditure items are as follows:

- \$337,000 increase in revenue from Capital Projects Fund to transfer City's portion of the Ice Rink due to cancellation of the project.
- \$21,000 increase to the budgeted use of fund balance reserves to cover expenditures related to the D&RG bathroom and parking lot project.
- \$187,000 transfer from the General Fund to the Water & Sewer Utility Fund for the advance made by the Water Utility Enterprise Fund to the Redevelopment Agency of Roy Utah.
- \$65,000 increase in Building Permits revenue to account for increased building permits issued.
- \$277,253 increase in budgeted use of fund balance reserves including \$15,145 carryover of FY2018 State Liquor Law Enforcement allocation funds.
- \$36,500 decrease in Council Contingency to help cover various expenses city-wide.
- \$225,000 transfer to the Capital Projects Fund from a decrease in Streets Capital Assets by \$121,000 and Building Capital Assets by \$102,000.
- \$34,459 increase to Police Capital Assets to replace a Ford Explorer.
- \$39,500 increase to Fire Capital Assets to cover a power gurney purchase of \$19,000, adding a light package to the Fire Chief's new truck for \$4,500, and \$16,000 for the purchase of 2 new thermal imaging cameras.
- \$18,000 increase in Fire Equipment, Supplies, and Maintenance to purchase 12 sets of ballistic gear for the front-line Fire apparatus to protect firefighters during active assailant calls.
- \$30,000 increase to Aquatic Center Capital Maintenance account; \$5,000 will cover a new ice machine recommended by the Health Department and \$25,000 for purchasing new metal round tables for patrons to use.
- \$32,000 increase the Community Development Capital Assets budget to purchase a new Code Enforcement vehicle.
- \$32,950 increase in Recreation Complex personnel budgets to cover personnel costs and retirements.
- \$32,950 increase in Aquatic Center personnel budgets to cover personnel costs and retirements.

The budget adjustment in the General Fund resulted in revenues and other financing sources increasing and expenditures and other financing uses increasing. This required a budgeted draw from fund balance of \$312,920 to balance the budget. The City Council's intent was to lower the level of unrestricted fund balance in the General Fund. While actual expenditures were lower than projected and revenues exceeded estimates, total revenues surpassed expenditures by \$538,806.

Budget to actual. At the conclusion of the fiscal year, there were some differences between final budgeted revenues and expenditures and actual results. Overall revenue classifications were less than expected. Some of the most noteworthy items, sales tax exceeded expectations by \$261,170; Building Permits were over by \$70,484; Class C Roads allotment over by \$227,930; and the Ambulance Fees over by \$244,047. Revenues related to Business Licensing was down \$34,235. In total, general fund revenues did not meet budgeted estimates by \$303,870 or 1.7%.

Expenditures were \$845,909 under budget. Generally, departments are cautious with spending which results in the savings. Some of the more significant savings on budget can be found in the police department; under \$187,212 mainly from being at less than full staffing, equipment, and special public safety supplies; Class C Roads under by \$319,653 on capital projects and professional and technical services; the streets division under budget by \$71,296 including capital projects. The finance department was under budget by \$91,919 and the fire department under budget by \$81,119 from employee wages and benefits. The parks and recreation department was under budget by \$54,114 from wages and benefits, fuel, and capital. None of the individual departments was over the allotted budget.

Capital Assets and Debt Administration

Capital assets. Roy City Corporation's investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounts to \$56,315,541 (net of related debt). The investment in capital assets includes land, buildings, improvements other than buildings, infrastructure, machinery and equipment, vehicles, and construction in progress. The total change in the City's investment in capital assets for the current fiscal year was a decrease of 0.34% (a 1.31% increase in governmental activities and a 1.39% decrease in business-type activities).

Major capital asset events during the current fiscal year include the following:

Governmental activities:

- George Wahlen North Park \$1,312,759
- Municipal Park Improvements \$13,906
- Ambulance 32 Replacement \$165,400
- Power Load Equipment \$22,496
- 5800 S. Sidewalk \$60,916
- Emma Russell Storm Drain Improvements \$241,211
- Security System Upgrades \$16,600

Business type activities:

- Chlorine Analyzer and Smart Valve \$6,720
- SCADA - 5700 S. PRV Pit and Vault \$87,685
- SCADA - 6000 S. and 4800 S. \$31,873
- Mini X Trailer \$7,885
- Replace W-6 Dump Bed \$24,815
- Benches for Meadow Creek Pond \$6,507
- Mini X \$62,577

Roy City Corporation's Capital Assets
(State in Thousands of Dollars and Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 3,829	\$ 3,745	\$ 139	\$ 139	\$ 3,968	\$ 3,884
Buildings	11,827	11,780	119	105	11,946	11,885
Improvmnts other than bldgs	35,411	35,400	38,466	38,365	73,877	73,765
Machinery and equipment	5,224	5,090	1,404	1,277	6,628	6,367
Automobiles and trucks	7,629	7,188	1,271	1,271	8,900	8,459
Construction in progress	5,759	4,000	-	-	5,759	4,000
Accumulated depreciation	(34,132)	(32,129)	(16,908)	(15,965)	(51,040)	(48,094)
Total capital assets	\$ 35,547	\$ 35,074	\$ 24,491	\$ 25,192	\$ 60,038	\$ 60,266

Additional information on Roy City Corporation's capital assets can be found in Note 4 on pages 64-65 of this report.

Long-term debt. Roy City issued \$7,500,000 in water and sewer revenue bonds in March 2008 to finance the acquisition and construction of replacements, improvements and additions to the City's water and sewer system. Principal payments are due annually in March through 2028. In October 2017, the City refinanced these bonds with the same mature date of March 2028. Interest is due semi-annually in September and March. The City originally received an "Aaa" rating from Moody's Investors Service on the Series 2008 bonds. In May 2010, the rating was revised to "A1". The June 30, 2019 bond balances are as follows:

Roy City Corporation's Outstanding Debt
(State in Thousands of Dollars)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenue bonds	\$ -	\$ -	\$ 4,213	\$ 4,599	\$ 4,213	\$ 4,599

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total taxable value. The current limitations for the City are \$61,584,034, which significantly exceeds Roy City Corporation's outstanding general obligation debt. In addition, state statutes allow for an additional 4% to be used for water, sewer and electrical projects thus resulting in a debt limit of 8% of total taxable value. The City's water and sewer utility is allowed an additional \$61,584,034 in debt obligation.

Additional information on Roy City Corporation's long-term debt activity can be found in Note 4 on pages 67-68 of this report.

Economic Factors and Next Year's Budget and Rates

The City reviews State and regional economic data in developing its annual budget. The assumptions derived from the data are reviewed by the City Council in its approval of the budget. Monthly reports are presented to the City Council to provide both budget and actual information for monitoring the financial activities of the City.

The following assumptions were used to develop the FY 2019 budget:

- Economic conditions are improving across the county and in Utah and that trend is expected to continue. Possible risks tend to come from abroad, more than nationally and locally. While Utah has become more global, that link and the link to Roy, is minimal. Regional trends have the most impact on Utah, and regional trends in growth are good. Growth tends to be stronger within the State than nationally.
- Utah continues to be one of the fastest growing states in the nation, and population is a main driver in any state's economy.
- The unemployment rate for the Ogden/Clearfield metropolitan area within which Roy City is located, is currently 3.5%. This compares to the State's average unemployment rate of 2.8%.
- Roy City is near "build out" for residential dwellings. With less land available, the City Council is seeing many request for multi-family housing project. Roy City is one of the most densely populated areas in the State, and the City Council is leaning towards single family dwellings and away from multi-family. The City is interested in the prospects of multi-use of residential and commercial together.
- Revenue from services is near peak and one-time fees from development continue to be low.
- The City is seeking new business in Roy, Some expansion is expected within the central business district and on the west side of the City.
- Sales tax revenue is calculated by the State based on a number of factors including point of sale and population. Sales tax is expected to continue a gradual increase in FY 2019 as the local economy growth continues.
- The budget includes a 2.5% to 3.75% merit for all employees, Health insurance costs has a 4% increase. No major changes in expenditures are expected. A capital improvements plan will be shaped to help with the annual budget process.
- Enterprise fund activity reflects rate increases to cover vendor increases.

During the current fiscal year, the fund balance in the general fund increased by \$1,270,764 to \$8,552,279. Fund balance reserves will be allocated to fund a capital improvement plan including but not limited to, fire apparatus, parks, and recreational facilities.

Request for Information

This financial report is designed to provide a general overview of Roy City Corporation's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Management Services Director, 5051 South 1900 West, Roy, Utah 84067.

DRAFT -
For Discussion
Purposes Only

BASIC FINANCIAL STATEMENTS

ROY CITY CORPORATION
Statement of Net Position
June 30, 2019

Page 1 of 2

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets:			
Cash	\$ 9,354,854	\$ 8,570,161	\$ 17,925,015
Restricted cash: Roads and public transit	3,425,871	-	3,425,871
Investment in water stock	-	16,100	16,100
Interactivity Receivable	(227,293)	227,293	-
Accounts receivable - net of allowance for doubtful accounts	5,779,154	1,784,374	7,563,528
Inventory	117,133	553,287	670,420
Prepaid items	4,857	298,005	302,862
Total current assets	<u>18,454,576</u>	<u>11,449,220</u>	<u>29,903,796</u>
Noncurrent assets:			
Internal balances	(257,300)	257,300	-
Investment in land	<u>515,160</u>	<u>-</u>	<u>515,160</u>
Capital assets:			
Land	3,829,128	139,434	3,968,562
Buildings	11,827,222	119,010	11,946,232
Improvements other than buildings	35,410,826	38,465,973	73,876,799
Machinery and equipment	5,223,913	1,403,488	6,627,401
Automobiles and trucks	7,629,149	1,271,070	8,900,219
Construction in progress	5,758,841	-	5,758,841
Less accumulated depreciation	<u>(34,131,749)</u>	<u>(16,907,688)</u>	<u>(51,039,437)</u>
Total capital assets net of accumulated depreciation	<u>35,547,330</u>	<u>24,491,287</u>	<u>60,038,617</u>
Total noncurrent assets	<u>35,805,190</u>	<u>24,748,587</u>	<u>60,553,777</u>
Deferred outflows of resources:			
Bond refunding amortizable interest	-	64,701	64,701
Pensions	<u>3,197,224</u>	<u>205,300</u>	<u>3,402,524</u>
Total deferred outflows of resources	<u>3,197,224</u>	<u>270,001</u>	<u>3,467,225</u>
Total assets and deferred outflows of resources	<u>\$ 57,456,990</u>	<u>\$ 36,467,808</u>	<u>\$ 93,924,798</u>

The notes to the financial statements are an integral part of this statement.

ROY CITY CORPORATION
Statement of Net Position, continued
June 30, 2019

Page 2 of 2

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts Payable	\$ 988,298	\$ 1,272,092	\$ 2,260,390
Accrued Wages	376,113	16,173	392,286
Compensated absences	168,887	90,853	259,740
Interest payable	-	25,236	25,236
Current portion of long-term debt	-	437,000	437,000
Total current liabilities	<u>1,533,298</u>	<u>1,841,354</u>	<u>3,374,652</u>
Long-term liabilities:			
Compensated absences	1,343,347	28,253	1,371,600
Long-term debt due in more than one year	-	3,776,000	3,776,000
Net pension liability	6,106,767	324,540	6,431,307
Guarantee deposits	111,177	-	111,177
Total long-term liabilities	<u>7,561,291</u>	<u>4,128,793</u>	<u>11,690,084</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions	332,761	48,132	380,893
Unearned revenue	3,983,718	-	3,983,718
Total long-term liabilities	<u>4,316,479</u>	<u>48,132</u>	<u>4,364,611</u>
Total liabilities and deferred inflows of resources	<u>13,411,068</u>	<u>6,018,279</u>	<u>19,429,347</u>
NET POSITION			
Net investment in capital assets	36,062,490	20,253,051	56,315,541
Restricted for:			
Roads and public transit	3,729,003	-	3,729,003
Unrestricted	4,254,429	10,196,478	14,450,907
Total net position	<u>\$ 44,045,922</u>	<u>\$ 30,449,529</u>	<u>\$ 74,495,451</u>

ROY CITY CORPORATION
Statement of Activities
For the Fiscal Year Ended June 30, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Government activities:			
General government	\$ 5,718,370	\$ 1,330,026	\$ 20,586
Public safety	8,786,682	1,707,316	192,636
Public works	2,102,800	-	1,427,930
Parks and recreation	2,830,061	889,606	-
Total governmental activities	<u>19,437,913</u>	<u>3,926,948</u>	<u>1,641,152</u>
Business-type activities:			
Water and sewer utility	8,431,834	8,401,816	-
Storm sewer utility	726,240	851,859	-
Solid waste utility	2,133,710	2,112,846	-
Total business-type activities	<u>11,291,784</u>	<u>11,366,521</u>	<u>-</u>
Total primary government	<u>\$ 30,729,697</u>	<u>\$ 15,293,469</u>	<u>\$ 1,641,152</u>

General revenues:

Property taxes

Sales tax

Franchise taxes

Payments in lieu of taxes

Unrestricted investment earnings

Contributions from other government units

Gain on sale of assets

Other revenues not restricted to specific programs

 Total general revenues and transfers

 Changes in net position

Net position - beginning

Net position - ending

ROY CITY CORPORATION
Statement of Activities, continued
For the Fiscal Year Ended June 30, 2019

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
\$ -	\$ (4,367,758)	\$ -	\$ (4,367,758)
-	(6,886,730)	-	(6,886,730)
127,173	(547,697)	-	(547,697)
106,500	(1,833,955)	-	(1,833,955)
233,673	(13,636,140)	-	(13,636,140)
-	-	(30,018)	(30,018)
-	-	125,619	125,619
-	-	(20,864)	(20,864)
-	-	74,737	74,737
\$ 233,673	(13,636,140)	74,737	(13,561,403)
	3,779,476	-	3,779,476
	5,569,396	-	5,569,396
	2,867,814	-	2,867,814
	363,506	-	363,506
	384,980	233,235	618,215
	711,141	-	711,141
	78,769	-	78,769
	167,187	253,126	420,313
	13,922,269	486,361	14,408,630
	286,129	561,098	847,227
	43,759,793	29,888,431	73,648,224
	\$ 44,045,922	\$ 30,449,529	\$ 74,495,451

ROY CITY CORPORATION
Balance Sheet
Governmental Funds
June 30, 2019

	General	Special Revenue Fund Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 4,392,250	\$ 2,004,323	\$ 2,161,528	\$ 8,558,101
Restricted cash	3,425,871	-	-	3,425,871
Accounts Receivable, net	5,757,149	-	-	5,757,149
Inventory	117,133	-	-	117,133
Prepaid items	881	-	-	881
Investment in land	455,714	59,446	-	515,160
Total Assets	<u>14,148,998</u>	<u>2,063,769</u>	<u>2,161,528</u>	<u>18,374,295</u>
LIABILITIES				
Accounts payable	922,213	122	47,384	969,719
Accrued wages payable	373,528	-	-	373,528
Guarantee deposits	111,177	-	-	111,177
Advance from other funds	257,300	-	-	257,300
Total liabilities	<u>1,664,218</u>	<u>122</u>	<u>47,384</u>	<u>1,711,724</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	<u>3,932,501</u>	<u>29,212</u>	<u>-</u>	<u>3,961,713</u>
Total liabilities and deferred inflows of resources	<u>5,596,719</u>	<u>29,334</u>	<u>47,384</u>	<u>5,673,437</u>
FUND BALANCES				
Nonspendable:				
Inventory	117,133	-	-	117,133
Prepaid items	881	-	-	881
Investment in land	455,714	59,446	-	515,160
Restricted for:				
Roads and public transit	3,729,003	-	-	3,729,003

ROY CITY CORPORATION
Balance Sheet
Governmental Funds
June 30, 2019

	General	Special Revenue Fund Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
FUND BALANCES, continued				
Assigned to:				
Public safety	19,380	-	696,948	716,328
Legislative programs	23,106	-	-	23,106
Storm sewer improvements	-	-	131,265	131,265
Capital improvements	-	-	367,831	367,831
Park improvements	-	-	753,079	753,079
Cemetery	-	-	165,021	165,021
Redevelopment	-	1,974,989	-	1,974,989
Other	116,351	-	-	116,351
Unassigned	4,090,711	-	-	4,090,711
Total fund balances	8,552,279	2,034,435	2,114,144	12,700,858
Total liabilities, deferred inflows of resources, and fund balances	\$ 14,148,998	\$ 2,063,769	\$ 2,161,528	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The amount reported is net of accumulated depreciation.	35,547,350
The proportionate share of the net pension asset and/or the proportionate share of the net pension liability and the deferred inflows and outflows of resources related to pensions and pension expenses are not due and payable in the current period and therefore, are not reported in the funds.	(3,242,304)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(1,512,234)
Internal service funds are used by management to charge the costs of information technology and risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	552,252
Net Position of governmental activities	<u>\$ 44,045,922</u>

ROY CITY CORPORATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019

	General	Special Revenue Fund Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 12,151,597	\$ 65,089	\$ -	\$ 12,216,686
Payments in lieu of taxes	363,506	-	-	363,506
Licenses and permits	508,790	-	-	508,790
Intergovernmental	1,671,634	304,159	-	1,975,793
Charges for services	2,713,949	-	-	2,713,949
Impact fees	-	-	203,191	203,191
Fines and forfeitures	704,209	-	-	704,209
Investment earnings	269,670	62,766	52,544	384,980
Property rental	27,696	-	-	27,696
Management fee	164,592	-	-	164,592
Contributions and donations	38,120	-	-	38,120
Other income	22,995	-	180	23,175
Total Revenues	18,636,758	432,014	255,915	19,324,687
Expenditures:				
Current:				
General government	3,557,602	290,733	-	3,848,335
Public Safety	8,951,274	-	-	8,951,274
Public Works	2,102,800	-	-	2,102,800
Parks and recreation	2,830,061	-	-	2,830,061
Project outlays	-	-	1,783,535	1,783,535
Total expenditures	17,441,737	290,733	1,783,535	19,516,005
Excess (deficiency) of revenues over (under) expenditures	\$ 1,195,021	\$ 141,281	\$ (1,527,620)	\$ (191,318)

ROY CITY CORPORATION
Statement of Revenues, Expenditures, and Changes in Fund Balances, continued
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General	Special Revenue Fund Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over (under) expenditures	\$ 1,195,021	\$ 141,281	\$ (1,527,620)	\$ (191,318)
Other financing sources (uses)				
Proceeds from sale of assets	79,261	-	-	79,261
Contributions from other government units	406,982	-	-	406,982
Transfers in	-	-	410,500	410,500
Transfers out	(410,500)	-	-	(410,500)
Total other financing sources (uses)	75,743	-	410,500	486,243
Net change in fund balances	1,270,764	141,281	(1,117,120)	294,925
Fund balances - beginning of year	7,281,515	1,893,154	3,231,264	12,405,933
Fund balances - end of year	\$ 8,552,279	\$ 2,034,435	\$ 2,114,144	\$ 12,700,858

ROY CITY CORPORATION
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Government-wide Statement of Activities
For the Fiscal Year Ended June 30, 2019

Amounts reported for governmental activities in the statement of activities (pages 31-32)
are different because:

Net change in fund balances - total governmental funds (page 36)	\$ 294,925
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	494,233
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	(492)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(638,628)
Internal service funds are used by management to charge the cost of information technology and risk management to individual funds. The net revenue or loss of certain activities of internal service funds is reported with governmental activities.	<u>136,091</u>
Change in net position of governmental activities	<u><u>\$ 286,129</u></u>

ROY CITY CORPORATION
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive/(Negative)
Revenues:				
Taxes:				
Property	\$ 3,690,379	\$ 3,690,379	\$ 3,714,387	\$ 24,008
Sales	5,233,226	5,308,226	5,569,396	261,170
Telecom gross receipts	320,000	320,000	243,448	(76,552)
Franchise	2,355,000	2,355,000	2,323,033	(31,967)
Paramedic	320,000	320,000	301,333	(18,667)
Payments in lieu of taxes	390,000	390,000	363,506	(26,494)
Licenses and permits	401,900	466,900	508,790	41,890
Intergovernmental	1,443,125	1,462,595	1,671,634	209,039
Charges for services	2,494,300	2,494,300	2,713,949	219,649
Fines and forfeitures	706,000	706,000	704,209	(1,791)
Investment earnings	182,000	207,000	269,670	62,670
Property rental	30,500	30,500	27,696	(2,804)
Management fee	164,592	814,512	164,592	(649,920)
Contributions and donations	430,000	430,000	445,102	15,102
Miscellaneous	20,000	20,000	22,995	2,995
Total revenue	18,181,022	19,015,412	19,043,740	28,328
Expenditures:				
General government:				
Legislative	734,572	698,072	578,576	(119,496)
Legal	390,514	390,514	370,404	(20,110)
Community development	431,171	436,871	409,996	(26,875)
Information technology	396,985	396,985	396,985	-
Justice Court	410,699	410,699	366,919	(43,780)
Finance	449,496	449,496	357,577	(91,919)
Public buildings	850,786	909,886	885,043	(24,843)
Risk management	221,811	221,811	221,811	-
	3,886,034	3,914,334	3,587,311	(327,023)
Public safety:				
Fire	3,803,347	3,866,317	3,785,199	(81,118)
Police	5,060,176	5,122,947	4,935,734	(187,213)
	8,863,523	8,989,264	8,720,933	(268,331)

ROY CITY CORPORATION
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual, continued
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive/(Negative)
	Original	Final		
Public works:				
Administration	171,659	171,659	141,338	(30,321)
Class "C" roads	1,256,400	1,281,400	961,747	(319,653)
Fleet services	200,666	200,666	174,796	(25,870)
Streets	748,296	835,296	764,003	(71,293)
Transportation infrastructure	391,000	391,000	60,916	(330,084)
	<u>2,768,021</u>	<u>2,880,021</u>	<u>2,102,800</u>	<u>(777,221)</u>
Parks and recreation:				
Aquatic center	629,120	701,070	675,933	(25,137)
Parks and recreation:	1,218,334	1,428,748	1,374,633	(54,115)
Recreation complex	643,501	681,251	644,754	(36,497)
Roy Days	119,389	142,624	134,741	(7,883)
	<u>2,610,344</u>	<u>2,953,693</u>	<u>2,830,061</u>	<u>(123,632)</u>
Total expenditures	<u>18,127,922</u>	<u>18,737,312</u>	<u>17,241,105</u>	<u>(1,496,207)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>53,100</u>	<u>278,100</u>	<u>1,802,635</u>	<u>1,524,535</u>
Other financing sources (uses):				
Issuance of debt	35,400	35,400	-	(35,400)
Proceeds from sale of assets	97,000	97,000	79,261	(17,739)
Transfer out	<u>(185,500)</u>	<u>(410,500)</u>	<u>(410,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(53,100)</u>	<u>(278,100)</u>	<u>(331,239)</u>	<u>(53,139)</u>
Net change in fund balance	-	-	1,471,396	1,471,396
Fund balance - beginning of year	6,964,532	6,964,532	6,964,532	1,469,892
Fund balance - end of year	<u>\$ 6,964,532</u>	<u>\$ 6,964,532</u>	<u>\$ 8,435,928</u>	<u>\$ 2,941,288</u>

ROY CITY CORPORATION
Redevelopment Agency - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive/(Negative)
Revenues:				
Property tax	\$ 51,000	\$ 51,000	\$ 65,089	\$ 14,089
Intergovernmental	2,294,660	2,294,660	304,159	(1,990,501)
Investment earnings	18,000	18,000	62,766	44,766
Total revenue	2,363,660	2,363,660	432,014	(1,931,646)
Expenditures:				
General government	2,363,660	2,363,660	290,733	(2,072,927)
Total expenditures	2,363,660	2,363,660	290,733	(2,072,927)
Net change in fund balance	-	-	141,281	141,281
Fund balance - beginning of year	1,893,154	1,893,154	1,893,154	1,586,792
Fund balance - end of year	\$ 1,893,154	\$ 1,893,154	\$ 2,034,435	\$ 1,728,073

ROY CITY CORPORATION
Statement of Net Position
Proprietary Fund
June 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water & Sewer Utility Fund	Storm-Sewer Utility Fund	Solid Waste Utility Fund	Total	
ASSETS					
Current assets:					
Cash	\$ 3,307,151	\$ 1,447,303	\$ 3,815,707	\$ 8,570,161	\$ 796,753
Investment in water stock	16,100	-	-	16,100	-
Accounts Receivable - net of allowance for doubtful accounts	1,296,650	119,639	368,085	1,784,374	-
Inventory	548,962	3,404	921	553,287	-
Prepaid items	297,829	-	176	298,005	3,976
Total current assets	5,466,692	1,570,346	4,184,889	11,221,927	800,729
Noncurrent assets:					
Advance to other fund	257,300	-	-	257,300	-
Capital assets:					
Land	139,434	-	-	139,434	-
Buildings	119,010	-	-	119,010	-
Improvements other than buildings	34,700,568	3,765,405	-	38,465,973	-
Machinery and equipment	773,943	473,729	155,816	1,403,488	713,274
Automobiles and trucks	773,123	-	497,947	1,271,070	-
Less accumulated depreciation	(15,186,775)	(1,101,457)	(619,456)	(16,907,688)	(512,558)
Total capital assets net of accumulated depreciation	21,319,303	3,137,677	34,307	24,491,287	200,716
Total noncurrent assets	21,576,603	3,137,677	34,307	24,748,587	200,716
Total assets	27,043,295	4,708,023	4,219,196	35,970,514	1,001,445
DEFERRED OUTFLOWS OF RESOURCES					
Bond refunding amortizable interest	64,701	-	-	64,701	-
Pension	170,579	34,721	-	205,300	44,271
Total deferred outflows of resources	\$ 235,280	\$ 34,721	\$ -	\$ 270,001	\$ 44,271

ROY CITY CORPORATION
Statement of Net Position, continued
Proprietary Fund
June 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water & Sewer Utility Fund	Storm-Sewer Utility Fund	Solid Waste Utility Fund	Total	
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 890,205	\$ 36,394	\$ 345,493	\$ 1,272,092	\$ 18,599
Accrued Wages	12,353	3,820	-	16,173	2,585
Compensated absences	63,051	27,802	-	90,853	4,933
Interest payable	25,236	-	-	25,236	-
Revenue bonds payable	437,000	-	-	437,000	-
Total current liabilities	<u>1,427,845</u>	<u>68,016</u>	<u>345,493</u>	<u>1,841,354</u>	<u>26,117</u>
Long-term liabilities, less current portion:					
Compensated absences	21,926	6,327	-	28,253	19,239
Net pension liability	263,772	60,768	-	324,540	62,582
Revenue bonds payable	3,776,000	-	-	3,776,000	-
Total liabilities	<u>5,489,543</u>	<u>135,111</u>	<u>345,493</u>	<u>5,970,147</u>	<u>107,938</u>
DEFERRED INFLOWS OF RESOURCES					
Pension	44,630	3,502	-	48,132	16,870
Total deferred inflows of resources	<u>44,630</u>	<u>3,502</u>	<u>-</u>	<u>48,132</u>	<u>16,870</u>
NET POSITION					
Net investments in capital assets	17,081,067	3,137,677	34,307	20,253,051	200,716
Unrestricted	4,663,335	1,466,454	3,839,396	9,969,185	720,192
Total net position	<u>\$ 21,744,402</u>	<u>\$ 4,604,131</u>	<u>\$ 3,873,703</u>	<u>\$ 30,222,236</u>	<u>\$ 920,908</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>227,293</u>	
Net position of business-type activities				<u>\$ 30,449,529</u>	

ROY CITY CORPORATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water & Sewer Utility Fund	Storm-Sewer Utility Fund	Solid Waste Utility Fund	Total	
Operating revenues:					
Charges for services	\$ 7,414,998	\$ 851,859	\$ 2,112,846	\$ 10,379,703	\$ 813,103
Other fees	986,818	-	-	986,818	-
Other income	201,996	-	7,533	209,529	21,232
Total operating revenue	<u>8,603,812</u>	<u>851,859</u>	<u>2,120,379</u>	<u>11,576,050</u>	<u>834,335</u>
Operating expenses:					
Personnel services	1,423,319	364,568	130,666	1,918,553	155,750
Contractual services	4,935,147	99,272	1,946,287	6,980,706	285,546
Materials and supplies	1,177,179	112,267	8,176	1,297,622	51,291
Other general costs of services	34,373	8,075	3,261	45,709	83,262
Depreciation	<u>755,426</u>	<u>142,058</u>	<u>45,320</u>	<u>942,804</u>	<u>78,797</u>
Total Operating expenses	<u>8,325,444</u>	<u>726,240</u>	<u>2,133,710</u>	<u>11,185,394</u>	<u>654,646</u>
Operating income	<u>278,368</u>	<u>125,619</u>	<u>(13,331)</u>	<u>390,656</u>	<u>179,689</u>
Non-operating revenues and (expenses):					
Interest income	91,586	36,812	104,837	233,235	-
Interest expenses	(104,890)	-	-	(104,890)	-
Bond fees	<u>(1,500)</u>	<u>-</u>	<u>-</u>	<u>(1,500)</u>	<u>-</u>
Total non-operating revenues/(expenses)	<u>(14,804)</u>	<u>36,812</u>	<u>104,837</u>	<u>126,845</u>	<u>-</u>
Changes in net position	263,564	162,431	91,506	517,501	179,689
Total net position - beginning	<u>21,480,838</u>	<u>4,441,700</u>	<u>3,782,197</u>		<u>741,219</u>
Total net position - ending	<u>\$ 21,744,402</u>	<u>\$ 4,604,131</u>	<u>\$ 3,873,703</u>		<u>\$ 920,908</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>43,597</u>	
Change in net position of business-type activities				<u>\$ 561,098</u>	

ROY CITY CORPORATION
Statement of Cash Flows
Proprietary Fund
June 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water & Sewer Utility	Storm-Sewer Utility Fund	Solid Waste Utility Fund	Total	
Cash flows from operating activities:					
Cash received from customers and users	\$ 8,346,369	\$ 851,966	\$ 2,090,489	\$ 11,288,824	\$ -
Cash received from interfund activities	-	-	-	-	813,104
Other income	201,996	-	7,533	209,529	21,232
Payments to suppliers	(6,249,484)	(188,187)	(1,751,591)	(8,189,262)	(510,055)
Payments to employees	(1,225,998)	(352,884)	(116,405)	(1,695,287)	(173,030)
Payments for interfund services	(178,046)	-	(14,261)	(192,307)	-
Net cash provided by operating activities	894,837	310,895	215,765	1,421,497	151,251
Cash flows from non-capital financing activities:					
Payment on interfund advance	30,000	-	-	30,000	-
Net cash provided by non-capital financing activities	30,000	-	-	30,000	-
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(169,029)	(72,318)	-	(241,347)	(58,389)
Funds placed in escrow on bond refunding	(386,000)	-	-	(386,000)	-
Interest paid on bond	(133,098)	-	-	(133,098)	-
Net cash used in capital and related financing activities	(688,127)	(72,318)	-	(760,445)	(58,389)

ROY CITY CORPORATION
Statement of Cash Flows, continued
Proprietary Fund
June 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water & Sewer Utility	Storm-Sewer Utility Fund	Solid Waste Utility Fund	Total	
Cash flows from investing activities:					
Interest received	91,586	36,812	104,837	233,235	-
Net cash provided by investing activities	91,586	36,812	104,837	233,235	-
Net increase (decrease) in cash	328,296	275,389	320,602	924,287	92,862
Cash - beginning of year	2,978,855	1,171,914	3,495,105	7,645,874	703,891
Cash - end of year	<u>\$ 3,307,151</u>	<u>\$ 1,447,303</u>	<u>\$ 3,815,707</u>	<u>\$ 8,570,161</u>	<u>\$ 796,753</u>
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ 278,368	\$ 125,619	\$ (13,331)	\$ 390,656	\$ 179,689
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	755,426	142,058	45,320	942,804	78,797
(Increase) decrease in accounts receivable	(53,088)	511	(22,024)	(74,601)	-
Increase (decrease) in allowance for uncollectible accounts	(2,359)	(404)	(333)	(3,096)	-
(Increase) decrease in inventory	(232,351)	460	(921)	(232,812)	-
(Increase) decrease in prepaids	(9,124)	146	(21)	(8,999)	26,342
(Increase) decrease in deferred outflows	3,639	1,721	-	5,360	349
(Increase) decrease in net pension asset	13,163	3,867	-	17,030	3,760
Increase (decrease) in accounts payable	138,690	30,822	207,076	376,588	7,249
Increase (decrease) in accrued wages	(606)	(247)	-	(853)	(8,585)

ROY CITY CORPORATION
Statement of Cash Flows, continued
Proprietary Fund
June 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities -
	Water & Sewer Utility Fund	Storm-Sewer Utility Fund	Solid Waste Utility Fund	Total	Internal Service Funds
Increase (decrease) in compensated absences	(7,430)	2,848	-	(4,582)	(15,373)
Increase (decrease) in deferred inflows	(121,161)	(40,298)	-	(161,459)	(29,012)
Increase (decrease) in net pension liability	131,670	43,793	-	175,463	31,581
Increase (decrease) in recaptured losses	-	-	-	-	(123,547)
Total adjustments	616,469	185,277	229,097	1,030,843	(28,439)
Net cash provided by operating activities	<u>\$ 894,837</u>	<u>\$ 310,896</u>	<u>\$ 215,766</u>	<u>\$ 1,421,499</u>	<u>\$ 151,250</u>
Non-cash capital and related financing activities:					
Capital contributions from developers	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds refunded	-	-	-	-	-
Total non-cash capital and related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DRAFT -
For Discussion
Purposes Only

NOTES TO THE FINANCIAL STATEMENTS

ROY CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

DRAFT -
For Discussion
Purpose Only

The City of Roy was incorporated March 10, 1937 as Roy City Corporation. The City is a municipal corporation governed by an elected mayor and five-member council and provides the following services as authorized by its charter; public safety, public utilities, highways and streets, sanitation, social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

1. Summary of Significant Accounting Policies

This summary of significant accounting policies of Roy City Corporation (the City) is presented to assist in understanding the City's financial statements. The financial statements and notes are the representation of the City's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles, as applicable to governmental organizations.

The most significant of the City's accounting policies are described below:

Reporting Entity

The reporting entity is comprised of the primary government, and component units included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, and agencies that are not legally separate from the City. In addition, Roy City includes the Redevelopment Agency of Roy Utah as a component unit.

Component units are legally separate entities and can be either blended or discretely presented with the primary government. Blending is used if the component unit is an integral part of the primary government and a discrete presentation is used if the component unit is not integral. One of four situations must be met for a component unit to be blended; 1) substantively the same governing body with a financial benefit or burden relationship, 2) substantively the same governing body with operational responsibility, 3) almost exclusive service or benefit to the primary government, or 4) total debt of the component unit repayable almost entirely from resources of the primary government.

Based upon the application of the criteria, the City has one component unit.

Blended Component Unit. The Redevelopment Agency of Roy Utah (RDA) was established to prepare and carry out plans to improve, rehabilitate, and redevelop blighted areas within the City. The RDA is governed by a board of directors composed of the City's mayor and all members of the city council. Although it is a legally separate entity from the City, the RDA is reported as if it were a part of the primary government because it is the same governing body and the administrative staff of Roy City manages the activities of the RDA in essentially the same manner as it manages City activities. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund.

The RDA does not prepare separately issued financial statements. Financial information for the RDA may be obtained at the City administrative offices.

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, along with fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the City and its component unit. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City's general revenues, from business-type activities, generally financed in whole or part with fees charged to external customers. The operating activities of the internal service funds are eliminated to avoid duplicating revenues and expenditures.

The statement of net position presents the financial position of the governmental and business-type activities at year-end.

The statement of activities presents a comparison between direct expenses and programs revenues for each function of the City's governmental activities and each identifiable activity of the business-type activities. A function is a grouping of similar activities to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those which are clearly identifiable within a specific function or segment. Program revenues include 1) charges to customers or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. The determining factor for identifying which function charges for services pertain to, is which function generates the revenue. For grants and contributions, the determining factor is, to which function is the revenue restricted.

Taxes, fees in lieu, and other revenue sources not properly included among program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City records transactions in separate funds in order to aid financial management and demonstrate legal compliance. Fund financial statements are prepared separately for governmental and proprietary funds and are designed to present financial information at a more detailed level. Major individual governmental and enterprise funds are reported in separate columns with combined columns for nonmajor funds. The internal service funds are presented in a single column of the proprietary fund statements.

The City reports the following major governmental funds:

The *general fund* is the primary operating fund of the City. It accounts for all financial resources of the City not accounted for by a separate, specialized fund.

The *redevelopment agency special revenue fund* is used to account for specific revenue sources that are legally restricted for the improvement, rehabilitation, and redevelopment of blighted areas within the City. The Redevelopment Agency receives its funding from property tax increment from the taxing entities it encompasses.

The City reports the following major proprietary funds:

The *water and sewer utility enterprise fund* is used to account for the activities of the City's water and sewer distribution operations.

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2019

The *solid waste utility enterprise fund* is used to account for the activities of the City's solid waste collection and disposal, as well as the recycling program.

Additionally, the City reports the following fund types:

Internal service funds are used to account for information technology and risk management services provided to various departments on a cost reimbursement basis.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City are included in the statement of net position. The statement of activities reports the revenues and expenditures.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports the source (i.e., revenues and other financing sources) and the uses (i.e., expenditures and other financial uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

All proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and liabilities associated with the operation of these funds are included in the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. The government-wide financial statements are reported using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting, while proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, deferred inflows of resources, and the presentation of expenses versus expenditures.

The use of financial resources to acquire capital assets are shown as assets in the government-wide and proprietary fund financial statements and as expenditures in the governmental fund financial statements. Proceeds of long-term debt are recorded as a liability in the government-wide and proprietary fund financial statements, and as other financing sources on the governmental fund financial statements. Amounts paid to reduce long-term debt are reported as a reduction of the related liability, rather than expenditures in the government-wide financial statements.

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2019

For the government-wide and proprietary fund financial statements, revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements recognize revenues as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter (within sixty days) to pay liabilities of the current period. Sales and franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are considered to be susceptible to accrual and as such have been recognized as revenues of the current fiscal year. All other revenues are considered to be measurable and available only when cash is received by the government.

Non-exchange transactions in which the City receives value without directly giving equal value in return, may include property taxes, grants, and donations. On an accrual basis, property taxes are recognized in the year for which the taxes are levied (see Note 3 – Tax Revenue). Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions also must be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. See Note 4 - Deferred Inflows/Outflows of Resources.

On the accrual basis of accounting, expenses are recognized at the time they are incurred, if measureable. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measureable.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the general fund by various enterprise funds for providing administrative services for such funds. Elimination of these charges would distort the total costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities, and Net position or Equity

Cash, Deposits, and Investments

Cash includes cash on hand, demand deposits with banks, deposits in cash management pools that have the general characteristics of demand deposit accounts, and deposits in a receiver's account for on-line bill pay. The City adopted an investment policy by resolution that allows for the investment of funds in time certificates of deposit with federally insured depositories, in the Utah Public Treasurer's Investment Fund (the Fund), in U. S. backed Government Securities, and other funds and obligations.

The Utah Public Treasurer's Investment Fund operates in accordance with state laws and regulations.

Restricted Assets

Class C Road and the Local Option Sales Tax funds are classified as restricted assets on the balance sheet because their use is restricted by laws and regulations. These road funds are restricted for use in maintaining roads and for pedestrian safety throughout the City.

Receivables, Payables, and Interfund Balances

Accounts receivable for services related to governmental activities and trade accounts receivable for business-type activities are shown net of allowance for doubtful accounts. The allowance is calculated using a percentage of total accounts receivable in conjunction with an evaluation of items over 180 days.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "inter-activity receivable or inter-activity payable". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual amounts due between governmental activities and business-type activities, which are reclassified as "interactivity balances".

Advances between funds, as reported in fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available resources.

Inventories and Prepaid Items

All inventories are valued at cost and accounted for on the first-in, first-out method (FIFO). Inventories of governmental fund types are recorded as expenditures when consumed. Inventories of the proprietary funds are expensed when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The expenditure/expense of prepaid items is reflected in the fiscal year in which services are consumed.

At the fund reporting level, fund balance is designated as non-spendable for an amount equal to inventories and prepaid items, as this amount is not available for general appropriations.

Investment in Land

Land acquired by the City and the Redevelopment Agency and held for resale is classified as an investment in land.

Capital Assets

General capital assets relate to governmental activities and do not specifically relate to activities of the proprietary funds. These assets generally result from expenditures in the governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position and does not report the assets in the governmental fund financial statements. Capital assets used by proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the proprietary funds statement of net position.

Capital assets are defined by the City as assets with an initial and individual cost of more than \$1,500 and an estimated useful life of more than two years. These assets are recorded at cost (or estimated

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2019

historical cost) and updated for additions and retirements during the fiscal year. Outlays for major improvements are capitalized. The City's infrastructure, referred to below, consists of roads, storm sewer systems, curb, gutter, sidewalk, and street lights.

All reported capital assets, except land and construction in progress, are depreciated using the straight line method over the following useful lives:

Asset Type	Years
Wells	25
Reservoirs	40 - 50
Water distribution system and sewer collection systems	50
Infrastructure	15 - 30
Vehicles	5 - 8
Machinery and equipment	5 - 30
Furniture and fixtures	5 - 10
Software	3 - 5

Donated assets are recorded at estimated fair market value at the date of donation. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend an asset's useful life are expensed.

Compensated Absences

It is the City's policy to allow employees to accumulate earned but unused vacation, compensatory time, and sick leave benefits. Compensated absences are reported in governmental funds only if an employee has resigned or retired and the accrued leave has not been paid out. The accumulated vacation, sick leave and compensatory time that is not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. Accumulated vacation, sick leave and compensatory time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. Year-end liabilities for compensated absences are accrued at the employee's current hourly rate, including social security and Medicare costs, for the maximum possible separation benefit.

Sick leave amounts are charged to expenditures when incurred. Employees may accumulate sick leave without limitation. Regular employees accumulate sick leave benefits at the rate of twelve days per year, while firefighters (24 hour shift) accumulate 6.25 days per year. The City has implemented an unused sick leave incentive to increase productivity and encourage longevity within the City. The incentive allows for converting a portion of unused sick leave to either annual leave or a contribution to a City sponsored retirement plan. The incentive is paid annually in December and requires employees to meet strict criteria to be eligible. Employees who retire or separate under favorable conditions are paid a portion of unused sick leave based on years of service and accumulated sick leave hours. The liability for sick leave is calculated based on percentages that would be paid in the event the employee terminated employment.

Accrued Liabilities and Long-term Obligations

All payables and accrued liabilities are reported in the government-wide financial statements. In the government-wide financial statements and proprietary fund types in the fund financial statements, long-

term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond discounts and premiums are amortized over the life of the applicable debt. Bond insurance costs are recognized as outflows of resources in the reporting period in which they are incurred and amortized using the effective interest method over the life of the bonds.

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Recaptured losses are included in long-term obligations and result from an inter-local cooperative agreement with Utah Risk Management Mutual Association. The City reimburses URMMA over five years for claims and legal fees paid on its behalf.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balance

The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the City is bound to honor them. The City first determines and reports nonspendable balances, then restricted, then committed, and so forth. Fund balance classifications are summarized as follows:

Non-spendable fund balance includes amounts that cannot be spent due to their form (e.g. inventory and prepaids) or funds that legally or contractually must be maintained intact.

Restricted fund balance includes amounts that are mandated for a specific purpose (e.g. Class C Road funds, Local Option Sales Tax, and grants) by external parties, constitutional provisions, or enabling legislation.

Committed fund balance includes amounts that are set aside for a specific purpose by a formal action of the City’s highest level of decision making authority, the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally, which is passage of a resolution by a majority vote.

Assigned fund balance comprises amounts intended to be used by the City for specific purposes that are neither considered restricted or committed. Intent can be expressed by the City Council or the Management Services Director. The Management Services Director has been designated by resolution to assign fund balance.

Unassigned fund balance includes all amounts in the general fund not contained in the previous four classifications. All funds in the category are considered spendable resources. This category provides the resources necessary to meet unexpected expenditures or revenue shortfalls.

When both restricted and non-restricted funds are available for expenditure, the City will start with the most restricted category and spend those funds first. Similarly, when an expenditure is incurred for amounts in any of the unrestricted classifications of fund balance, the City will reduce committed amounts first, followed by assigned and then unassigned amounts.

The City has a minimum fund balance policy in the general fund of no less than 8% of budget revenue. In the event that the balance drops below the established minimum level, the City Council will develop a plan to replenish the fund balance to the established minimum level.

See Note 4 for further details of the various fund balance classifications.

Net Position

The net position represents the difference between assets and liabilities. The net position component, “net investment in capital assets”, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used (i.e. the amount the City has not spent) for the acquisition, construction, or improvement of those assets. The net position is reported as restricted when there are limitations imposed on use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining balance of the net position is reported as unrestricted.

Pensions

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS’s fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred outflows/inflows of resources: In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

2. Reconciliation of Government-wide and Fund Financial Statements

Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *total governmental fund balances* and *net position of governmental activities* as reported in the government-wide statement of net position. The difference results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets.

Capital related items:

When capital assets (property, plant, and equipment) are to be used in governmental activities and are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$ 69,679,099
Accumulated depreciation	(34,131,749)
Total difference	<u>\$ 35,547,350</u>

Pension related items:

In governmental fund financial statements, a net pension liability is recognized to the extent the liability is expected to be liquidated with expendable available financial resources. However, the statement of net position includes a liability (asset) whenever plan net position is less than (exceeds) the City's total pension liability, even though the City funds the full amount of the actuarially calculated annual contribution each year.

Deferred outflows - pensions	\$ 3,197,224
Deferred inflows - pensions	(332,761)
Net pension liability	(6,106,767)
Total difference	<u>\$ (3,242,304)</u>

Long-term debt transactions:

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financials. All liabilities (both current and long-term) are reported in the statement of net position.

Balances at June 30, 2019 were:

Compensated absences	\$ 1,512,234
Total difference	<u>\$ 1,512,234</u>

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Internal service funds:

Internal service funds are properly classified as proprietary funds. Nonetheless, the assets and liabilities of internal service funds must be included as part of governmental activities for purposes of government-wide financial reporting whenever they primarily serve governmental funds.

Assets and liabilities of the information technology and risk management internal service funds included in the government-wide statement of net position at June 30, 2019 include:

Cash	\$ 796,753
Prepaid items	3,976
Accounts payable	(18,599)
Accrued wages payable	(2,585)
Interactivity payable	(227,293)
Total difference	<u>\$ 552,252</u>

Explanation of Differences between Governmental Fund Operating Statements and the Statement of Net Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between *net changes in fund balance – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the amount capital assets exceeded depreciation, the elements of this difference are as follows:

Capital outlay	\$ 2,801,987
Depreciation expense	(2,307,754)
Total difference	<u>\$ 494,233</u>

Another element of the reconciliation is the net effect of various miscellaneous transactions involving capital assets. The detail of the \$492 decrease to net position is as follows:

In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	\$ (492)
Total difference	<u>\$ (492)</u>

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Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenue in the governmental funds. Contributions to the pension plan from non-employer contributing entities for FY 2019 are \$78,196.

Another element of the reconciliation is some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. At year end the \$638,628 difference is as follows:

Compensated absences	\$ (80,126)
Pension expenditures	(558,502)
Total difference	<u>\$ (638,628)</u>

Another element of the reconciliation is the use of internal service funds inherently create redundancy, because their expenses are reported a second time as expenditures/expenses in the funds that are billed for the services they provide. The net revenue of the activities of internal service funds should be reported with governmental activities. The detail of the \$136,091 difference is as follows:

Change in net position of the internal service funds	\$ 179,689
Less: Profit from charges to business-type activities	(43,598)
Total difference	<u>\$ 136,091</u>

A final element of the reconciliation is during the consolidation of internal service funds with governmental activities all inter-fund transfers between such funds should be eliminated. During the fiscal year ending June 30, 2019, there was \$575,092 in transfers requiring elimination.

Explanation of Differences between Proprietary Fund Statement of Net Position and the Government-wide Statement of Net Position

The proprietary fund statement of net position includes reconciliation between *net position – total proprietary funds* and *net position of business type activities* as reported in the government-wide statements of net position. The description of the difference is as follows:

Interactivity receivable representing charges in excess of cost to business-type activities - prior years	\$ 183,695
Interactivity receivable representing charges in excess of cost to business-type activities - current year	43,598
Total difference	<u>\$ 227,293</u>

3. Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted in accordance with the “Uniform Fiscal Procedures Act of Utah Cities”. Budgets are prepared for all governmental and proprietary funds. On or before the first day of April, all agencies of the City submit requests for appropriation to the City Manager and Budget Officer so that a budget can be prepared. On the first Tuesday in May, the proposed budget is presented to the City Council for tentative acceptance. The City Council then reviews, adjusts, and holds a public hearing on the budget. On or before June 22nd, the budget is legally adopted by resolution for the following fiscal year which begins on July 1st. If a property tax increase is proposed, the City shall not adopt its final budget until a public hearing has been held. The latest possible date for adoption of a budget with a property tax increase is August 17th. All annual appropriations lapse at fiscal year-end.

Budgets are prepared by fund, function and department. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget is the department level. Budget control is exercised at the department level. The fund budgets may be increased any time during the fiscal year by resolution of the City Council and following a public hearing. The City Council may, by resolution, transfer unexpended appropriations from one department to another department within the same fund. Transfers of unexpended appropriations from one expenditure account to another within the same department can be made by the department director with the consent of the Budget Officer.

During the fiscal year, the City Council approved several supplemental budgetary appropriations and transfers of appropriations between departments. Included in the appropriations was an increase in the general fund of \$609,390; an increase in the capital improvements plan fund of \$225,000; an increase in the storm sewer development fund of \$122,000; an increase of \$68,500 in the park development fund; an increase in the water and sewer utility fund of \$385,000; \$25,000 increase or in the storm sewer utility fund; \$68,500 increase or in the storm sewer utility fund; an increase in the solid waste utility fund of \$218,187; an increase in the information technology fund of \$154,935; and no increase in the risk management fund.

The increase in the general fund was attributed an increase in capital, projects, personnel, and operations. Adjustments to the budget were made in various categories including personnel increased \$75,000; operations and maintenance increased \$264,731; purchase and construction of capital assets increased \$244,659; and the transfer to capital projects fund increased \$225,000. The expenditure changes were covered by an increase in general sales & use tax of \$75,000; increase in building permit revenue of \$65,000; grant revenue of \$19,470; and transfer from the capital projects fund of \$337,000. The contribution from fund balance increased \$312,920.

The changes in the capital projects fund were for capital improvements related to parks and recreation of \$1,491,989, a transfer to the general fund of \$337,000 to return the funding for the ice rink, an increased return to fund balance of \$225,000 to be appropriated in future years, and \$309 to cover the purchase of a 2019 ambulance for the Fire Department. These expenditure increases were covered by increased contributions from fund balance of \$1,799,298, increased interest earned by \$30,000, and a transfer from the general fund of \$225,000.

The increase in the water and sewer utility was due to changes in capital, and operations. Adjustments to the budget were made including an increase in operations and maintenance of \$198,000. An increase of \$63,000 was made in revenue estimates for water fees; an increase of \$85,000 in interest earnings; and \$50,000, to be contributed to retained earnings.

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The changes in the storm water utility fund were to increase operations by \$25,000 and were covered by increased budgeted interest earnings of \$25,000.

The increase to the solid waste utility fund was to cover \$126,255 in increased costs of recycling and trash disposal and \$20,000 to cover increased utilization of the City dumpster program. These expenses were covered by an increase in interest earned of \$95,000 and an increase in the refuse collection revenue of \$51,255.

The risk management capital budget increased by \$16,000 and the operations were increase by \$138,935 and were offset by an increase in anticipated insurance claims reimbursement of \$16,000 and a use of fund balance reserves of \$138,935.

Class C road fund maintenance had a budgeted increase of \$25,000 and an increased projection of \$25,000 for interest earned.

The increase in the storm sewer development fund capital budgets of \$122,000 was covered by increase revenue projections of \$69,500; increased interest earned of \$2,500; and a use of fund balance reserves of \$50,000.

The park development fund had a budgeted increase of \$68,500 for capital projects. The increased expenses were offset by increased park development fees of \$67,500 and increase interest earned of \$1,000.

Encumbrance accounting is employed in the governmental funds for budgetary basis. Under this method, outstanding purchase orders and contracts are treated similar to expenditures. For financial statements presented in accordance with generally accepted accounting principles, encumbrances outstanding at year end are reported as assigned fund balance and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent fiscal year. Accordingly, the GAAP and budgetary financial statements differ.

Budget/GAAP Reconciliation

The following schedules reconcile net change in fund balances and fund balances under encumbrance accounting (budget) to the same balances under GAAP.

General Fund	
Net change in fund	
balance (budget)	\$ 1,471,396
Beginning encumbrances	(316,983)
Ending encumbrances	116,351
Net change	
in fund balance (GAAP)	<u>\$ 1,270,764</u>
Fund balance (budget)	\$ 8,435,928
Furniture and fixtures	116,351
Fund balance (GAAP)	<u>\$ 8,552,279</u>

Tax Revenue

Real property taxes are collected by the County Treasurer and remitted to the City shortly after collection. The tax levy is established by June 15th with a lien date of January 1st. Taxes are due and payable on November 1st and delinquent after 12 o'clock noon on November 30th of each year. An accrual has been made for uncollected current and prior year's property taxes which remains outstanding at June 30th.

Sales taxes and telecom gross receipts taxes are collected by the Utah State Tax Commission and remitted to the City monthly. Franchise taxes are charged to various utility companies doing business within the City including cable television, natural gas, and electric companies. The fees are remitted on a monthly or quarterly basis and an accrual has been made for all fees due and payable to the City at June 30th.

4. Detailed Notes for All Funds

Cash and Cash Equivalents

For purposes of the statement of cash flows for proprietary and internal service funds, cash equivalents are defined as highly liquid investments, with original maturities of less than ninety days that are held for sale in the ordinary course of business.

Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in checking accounts as well as time deposits.

Investments are recorded at fair value based upon quoted market prices at year-end (Level 1 inputs) and other significant observable inputs (Level 2), except where there is no material difference between cost and fair value. The difference between the purchase price and fair value, when material, is recorded as interest income. Each fund's portion of this pool is displayed on the combined balance sheet which also includes accounts that are separately held by the City's component unit. Income from the investment of pooled cash is allocated based upon each fund's portion of the pool.

Deposits for the City are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, "the Act") and by the rules of the Utah Money Management Council ("the UMMC"). The Act requires that City funds be deposited with a "qualified depository" which has been certified by the Utah State Commissioner of Financial Institutions as having met its Rule 11. Rule 11 established the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

Investments for the City are also governed by the Act and rules of the UMMC. In addition, the City has adopted its own written investment policy which allows for investments in the following: 1) Obligations of the U. S. Treasury including bills, notes, and bonds; 2) U. S. Government Agencies; 3) Banker's Acceptances which are eligible for discounts at a federal reserve bank and which have a remaining term to maturity of 270 days or less; 4) Commercial paper which is rated P-1 by Moody's Investors Services or Standard and Poor's, having a remaining term to maturity of 270 days or less; 5) Negotiable certificates of deposit having a term to maturity of 365 days or less and variable rate certificates maturing in two years or less re-priced semi-annually; 6) Repurchase agreements with qualified depositories or dealers certified by the Utah Money Management Council; 7) Municipal obligations which are of the State, incorporated city, town, school district, or other political subdivision; 8) The Utah State Treasurer's Investment Pool. The policy does not allow for investments in foreign currency.

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The investment policy addresses investment-related risks as follows:

Credit risk - The City will minimize credit risk, the risk that an issuer or other counterparty of an investment will not fulfill its obligation to pay interest and/or principal, by: 1) limiting investments to those authorized in the policy, 2) utilizing only those financial institutions, brokers, dealers, intermediaries, and advisers which have been certified by the Act, 3) limiting the amount of money invested in a single institution; and 4) diversifying the investment portfolio.

Interest rate risk - The City will minimize the risk that the market value of securities in the portfolio will diminish due to changes in general interest rates by: 1) structuring the investment portfolio with staggered maturity dates to meet cash requirements, and 2) investing operating funds primarily in the Utah State Treasurer's Investment Pool.

Custodial credit risk - All investment transactions held in safekeeping by a third-party shall be in a separate account in the name of the City and evidenced by a receipt issued within 15 days of the transaction. The third-party bank or trust company must be certified by the UMMC as a depository.

While the City's investment policy allows for a range of investments, at June 30, 2019 the only investment tool utilized was the Utah Public Treasurer's Investment Fund ("PTIF"), an external pooled investment fund managed by the Utah State Treasurer subject to the Act and UMMC requirements. The PTIF is not registered with the SEC as an investment company and is not rated. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah and participants share proportionately in any realized gains or losses on investments. The PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and therefore, there is little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days. The PTIF operates and reports to participants on an amortized basis. The income, gains and losses, net of administrative fees, of the PTIF are allocated based upon the participant's average daily balance.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of June 30, 2019, the City and the Redevelopment Agency investments consisted of the following:

	Roy City	RDA
Utah Public Treasurer's Investment Fund	\$ 18,925,657	\$ 1,947,792
Maturity	NA	NA
Rating	Not rated	Not rated
Fair Market Value (FMV)	Level input 1	Level input 1
Recurring FMV measurement	Matrix Pricing Model	Matrix Pricing Model

As of June 30, 2019, \$31,845 of the City's bank balance of \$408,063 was uninsured and uncollateralized. For the Redevelopment Agency, all of the bank balance of \$48,491 was insured within FDIC limits. In the Water and Sewer Utility all of the bank balance of \$23,639 held in a receiver's account for on-line bill pay was insured within FDIC limits.

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Receivables

Receivables as of year-end for the City's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental funds:

	General Fund	Park Development
Taxes	\$ 4,421,267	\$ -
Ambulance services	3,269,138	-
Special Assessments	18,347	-
Intergovernmental	27,126	-
Other	667,850	-
Gross receivables	8,403,728	-
Less: Allowance for uncollectible accounts	(2,646,579)	-
Net receivables	<u>\$ 5,757,149</u>	<u>\$ -</u>

Enterprise funds:

	Water and Sewer Utility Enterprise	Storm Sewer Utility Enterprise	Solid Waste Utility Enterprise Fund	Total
Utilities	\$ 1,324,738	\$ 124,085	\$ 381,759	\$ 1,830,582
Intergovernmental	18,421	-	-	18,421
Gross receivables	1,343,159	124,085	381,759	1,849,003
Less: Allowance for uncollectible accounts	(46,509)	(4,446)	(13,674)	(64,629)
Net receivables	<u>\$ 1,296,650</u>	<u>\$ 119,639</u>	<u>\$ 368,085</u>	<u>\$ 1,784,374</u>

The only receivables not expected to be collected within one year are the \$18,347 of special assessment receivables reported in the general fund.

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Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 3,745,256	\$ 83,872	\$ -	\$ 3,829,128
Construction in progress	4,000,372	1,758,469	-	5,758,841
Total capital assets not being depreciated	<u>7,745,628</u>	<u>1,842,341</u>	<u>-</u>	<u>9,587,969</u>
Capital assets being depreciated:				
Buildings	11,780,076	47,146	-	11,827,222
Improvements other than buildings	35,399,674	11,152	-	35,410,826
Machinery and equipment	5,089,544	258,047	(123,678)	5,223,913
Automobiles and trucks	7,188,369	701,689	(260,909)	7,629,149
Total capital assets being depreciated	<u>59,457,663</u>	<u>1,018,034</u>	<u>(384,587)</u>	<u>60,091,110</u>
Less accumulated depreciation for:				
Buildings	(5,317,286)	(258,967)	-	(5,576,253)
Improvements other than buildings	(17,803,550)	(1,280,867)	-	(19,084,417)
Machinery and equipment	(3,789,799)	(315,275)	123,678	(3,981,396)
Automobiles and trucks	(5,218,637)	(531,463)	260,417	(5,489,683)
Total accumulated depreciation:	<u>(32,129,272)</u>	<u>(2,386,572)</u>	<u>384,095</u>	<u>(34,131,749)</u>
Total capital assets being depreciated, net	<u>27,328,391</u>	<u>(1,368,538)</u>	<u>(492)</u>	<u>25,959,361</u>
Governmental activities capital assets, net	<u>\$ 35,074,019</u>	<u>\$ 473,803</u>	<u>\$ (492)</u>	<u>\$ 35,547,330</u>

Business-type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 139,434	\$ -	\$ -	\$ 139,434
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>139,434</u>	<u>-</u>	<u>-</u>	<u>139,434</u>
Capital assets being depreciated:				
Buildings	105,020	13,990	-	119,010
Improvements other than buildings	38,365,061	100,912	-	38,465,973
Machinery and equipment	1,277,043	126,445	-	1,403,488
Automobiles and trucks	1,271,070	-	-	1,271,070
Total capital assets being depreciated	<u>41,018,194</u>	<u>241,347</u>	<u>-</u>	<u>41,259,541</u>

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Business-type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Less accumulated depreciation for:				
Buildings	(9,046)	(2,303)	-	(11,349)
Improvements other than buildings	(13,937,940)	(807,131)	-	(14,745,071)
Machinery and equipment	(823,643)	(77,645)	-	(901,288)
Automobiles and trucks	(1,194,255)	(55,725)	-	(1,249,980)
Total accumulated depreciation:	(15,964,884)	(942,804)	-	(16,907,688)
Total capital assets being depreciated, net	25,053,310	(701,457)	-	24,351,853
Business-type activities capital assets, net	\$ 25,192,744	\$ (701,457)	\$ -	\$ 24,491,287

Depreciation Expense

Depreciation was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 309,565
Public Safety	527,504
Public works, including depreciation of general infrastructure assets	952,802
Parks and recreation	517,883
Information technology	78,797
Total depreciation expense - governmental activities	<u>\$ 2,386,551</u>
Business-type activities:	
Water and sewer utility	\$ 755,018
Storm water utility	142,058
Solid waste utility	45,320
Total depreciation expense - business-type activities	<u>\$ 942,396</u>

Inter-fund Receivables, Payables, and Transfers

The composition of internal balances as of June 30, 2019, is as follows:

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
Water and sewer utility enterprise fund	General fund	\$ 257,300

The funds were used for on-sight improvements of a development within Roy City's central business district. The district is within one of the redevelopment project areas. A portion of the advances are expected to be repaid within the next fiscal year.

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Inter-fund transfers:

Receivable Fund	Payable Fund	Amount
Fire & Rescue facilities equipment - capital projects fund	General fund	\$ 185,500
Capital improvements - capital projects fund	General fund	225,000
		<u>\$ 410,500</u>

Transfers are used to move revenue from the fund that statute or budget requires them to collect, to the fund the budget authorizes them to expend. The transfers to the capital project fund segregate money for anticipated capital projects. All City transfers are authorized by annual budget appropriation.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expenditure/expense) until then. The City has \$3,402,524 in deferred charges related to pension plans. See Note 6 for a summary of this amount. In addition, in 2018 the City advance defeased \$4,930,000 of outstanding Water and Sewer Revenue Bonds, Series 2008 (water and sewer utility fund). The difference between the reacquisition price and the net carrying amount of the old debt has been deferred and amortized as a component of interest expense. The amount deferred was \$80,876 of which \$16,175 has been amortized as interest expense (\$8,087 in 2019) resulting in a remaining balance of \$64,701.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. The City reports three such items; available unearned revenue, unavailable revenue and pension plans. Available unearned revenue refers to resources that are received before the period(s) which they are required to be used. Unavailable revenue refers to resources that are reported as a receivable before the period(s) for which they are levied and for other imposed non-exchange transactions where resources are reported as receivables and use is permitted. See Note 6 for additional information on pension plans.

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The City reports the following deferred inflows of resources on the governmental funds balance sheet and the government-wide statement of net position:

	Governmental Funds	Governmental Activities	Business Type Activities
Property taxes not yet levied	\$ 3,427,648	\$ 3,427,648	\$ -
Property taxes received not yet levied	333,367	355,372	-
Funding received for future use	199,898	199,898	-
Pensions	-	332,761	48,132
Special assessments levied	800	800	-
	\$ 3,961,713	\$ 4,316,479	\$ 48,132

Long-Term Debt and Liabilities

Water and Sewer Revenue Refunding Bonds

In October 2017 the City issued \$4,599,000 of water and sewer revenue refunding bonds, series 2017 with an average interest rate of 2.057 percent to advance refund \$4,930,000 of outstanding water and sewer revenue bonds, series 2008 with an average interest rate of 4.244 percent. The net proceeds of \$5,010,876, (after payment of \$55,943 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the \$4,930,000 of the outstanding 2008 Series bonds. As a result, the 2008 Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets. The balance of advance defeased bonds is \$4,185,000.

The City completed the advance refunding to reduce its total debt service payments over the next 10 years by \$519,275 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$459,627.

The bonds bear interest at 2.057% and mature in March 2028. Interest is due semi-annually in September and March, while principal payments are due annually in March.

Annual debt service requirements to maturity for the water and sewer revenue bonds are as follows:

Year Ending June 30	Interest	Principal	Total
2020	\$ 437,000	\$ 86,660	\$ 523,660
2021	440,000	77,672	517,672
2022	448,000	68,620	516,620
2023	460,000	59,406	519,406
2024	466,000	49,944	515,944
2025-2028	1,962,000	101,942	2,063,942
	\$ 4,213,000	\$ 444,244	\$ 4,133,584

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Changes in Long-term Liabilities

During the year ended June 30, 2019, the following activity occurred in liabilities reported as long-term:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Recaptured losses	\$ 123,547	\$ -	\$ (123,547)	\$ -	\$ -
Compensated absences	1,447,481	897,629	(832,876)	1,512,234	168,887
Governmental activities - Long-term liabilities	<u>\$ 1,571,028</u>	<u>\$ 897,629</u>	<u>\$ (956,423)</u>	<u>\$ 1,512,234</u>	<u>\$ 168,887</u>
Business-type activities:					
Bonds payable	\$ 4,599,000	\$ -	\$ (386,000)	\$ 4,213,000	\$ 437,000
Compensated absences	123,688	(4,582)	-	119,106	24,620
Business-type activities - Long-term liabilities	<u>\$ 4,722,688</u>	<u>\$ (4,582)</u>	<u>\$ (386,000)</u>	<u>\$ 4,332,106</u>	<u>\$ 461,620</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$24,172 of compensated absences is included in the above amounts and will be liquidated with internal service fund assets. All other governmental activities compensated absences are liquidated by the general fund.

Fund Balances

The City is required to restrict part of its fund balance to account for the extent to which it is bound to honor constraints on the specific purpose of funds. Fund balance allocations are presented in the statement of net position and the balance sheet of the governmental funds.

The non-spendable portion of fund balance relates to inventory, prepaid items and investment in land. The restricted balance consists of the remaining Class C Roads and Local Option Sales Tax funds. No portion of fund balance was considered to be committed. At June 30, 2019 assigned fund balance is as follows:

	General Fund	Capital Projects Fund	Park Development Fund	Storm Sewer Development Fund	Cemetery Fund	RDA
Governmental Funds:						
Purchase obligations	\$ 116,351	\$ -	\$ -	\$ -	\$ -	\$ -
Legislative programs	23,106	-	-	-	-	-
Traffic school	19,380	-	-	-	-	-
Capital improvements	-	367,831	-	-	-	-
Recreational facilities	-	470,636	282,443	-	-	-
Fire apparatus	-	696,948	-	-	-	-
Storm sewer	-	-	-	131,265	-	-
Cemetery	-	-	-	-	165,021	-
Redevelopment	-	-	-	-	-	1,974,989
	<u>\$ 158,837</u>	<u>\$ 1,535,415</u>	<u>\$ 282,443</u>	<u>\$ 131,265</u>	<u>\$ 165,021</u>	<u>\$ 1,974,989</u>

- *Purchase obligations* represent resources that will be used to liquidate purchase orders which were not completed by year end.
- *Legislative programs* represents residual funds acquired from donations and set aside for the Roy Days celebration.
- *Traffic school* represents residual funds acquired from traffic school and set aside for police equipment purchases.
- *Capital improvements* are funds set aside to improve or construct City infrastructure. Funding comes from a transfer from the general fund.
- *Recreational facilities* are funds set aside for improvements to or construction of parks and recreational facilities. Assignments under the capital project fund are annual transfers from the general fund. Park development funds are acquired from a fee charged on building permits.
- *Fire apparatus* are funds set aside for the purchase of fire trucks and ambulances and acquired through a transfer from the general fund.
- *Storm sewer* is funds set aside to improve or construct storm sewer infrastructure. Storm sewer development funds are acquired from a fee charged on building permits.
- *Cemetery* is funds set aside to expand the City cemetery and acquired through the sale of cemetery plots.
- *Redevelopment* is property tax assessments acquired by the Redevelopment Agency for redevelopment of specific areas of the City.

The Management Services Director has been delegated the authority to assign amounts, which are neither restricted nor committed, to be used for specific purposes.

5. Employee Retirement Systems and Pension Plans

General Information About the Pension Plan

Plan Description

Eligible plan participants are provided with pensions through the Utah Retirement Systems (URS). The Utah Retirement Systems are comprised of the following pension trust funds:

Defined Benefit Plans

- *Multiple employer cost sharing, public employees retirement systems:* the Public Employees Non-contributory Retirement System (Non-contributory System); the Public Employees Contributory Retirement System (Contributory System); and the Firefighters Retirement System (Firefighters System).
- *Cost sharing, multiple-employer public employee retirement system:* the Public Safety Retirement System (Public Safety System).
- *Multiple employer, cost sharing, public employee retirement system:* the Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System).

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems

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under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Summary of Benefits Provided

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year of Service	COLA**
Non-Contributory	Highest 3 Years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65*	2.0% per year all years	Up to 4%
Contributory	Highest 5 Years	30 years any age 20 years any age* 10 years age 62* 4 years age 65*	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
Public Safety	Highest 3 Years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0 per year over 20 years	Up to 2.5% or 4% depending upon employer
Tier 2 Public Employees	Highest 5 Years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65*	1.50% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter	Highest 5 Years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65*	1.50% per year all years	Up to 2.5%

* With actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

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Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Systems Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contribution rates as of June 30, 2019 are as follows:

System	Employee	Employer	Employer 401(k)
Contributory System			
11 Local Government Div - Tier1	6.00%	14.46%	N/A
111 Local Government Div - Tier2	N/A	15.54%	1.15%
Noncontributory System			
15 Local Government Div Tier 1	N/A	18.47%	N/A
Public Safety System			
Contributory			
122 Tier 2 DB Hybrid Public Safety	N/A	24.25%	0.74%
Noncontributory			
75 Other Div A with 4% COLA	N/A	35.71%	N/A
Firefighters Retirement System			
31 Other Division A	15.05%	4.61%	N/A
132 Tier 2 DB Hybrid Firefighters	N/A	11.34%	0.74%
Tier 2 DC Only			
211 Local Government	N/A	6.69%	10.00%
222 Public Safety	N/A	12.99%	12.00%
232 Firefighters	N/A	0.08%	12.00%

*** Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

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Notes to the Financial Statements, Continued
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Required contributions for the current year and prior two years are as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 538,120	N/A
Contributory System	13,185	5,471
Public Safety System	579,233	-
Firefighters Retirement System	46,215	150,876
Tier 2 Public Employees System	146,198	-
Tier 2 Public Safety and Firefighter	196,256	-
Tier 2 DC Only System	12,662	N/A
Tier 2 DC Public Safety and Firefighter System	5,324	N/A
	<u>\$ 1,537,193</u>	<u>\$ 156,347</u>

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pensions

At June 30, 2019, we reported a net pension asset of \$252,486 and a net pension liability of \$3,531,082.

System	Measurement Date: December 31, 2018			December 31, 2017	
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share	Increase (Decrease)
Noncontributory System	\$ -	\$ 2,580,431	0.3504247%	0.3520598%	-0.0016351%
Contributory System	-	191,351	0.4715379%	0.4247650%	0.0467729%
Public Safety System	-	3,180,672	1.2363720%	1.2409621%	-0.0045901%
Firefighters Retirement System	-	423,901	3.2646087%	3.8688262%	-0.6042175%
Tier 2 Public Employees System	-	33,241	0.0776142%	0.0838608%	-0.0062466%
Tier 2 Public Safety and Firefighter	-	21,711	0.8665285%	0.9385360%	-0.0720075%
	<u>\$ -</u>	<u>\$ 6,431,307</u>			

The net pension asset and liability were measured as of December 31, 2018. The total pension liability used to calculate the net pension asset and net pension liability was determined by an actuarial valuation as of January 1, 2018 and rolled forward using general accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2019 we recognized pension expense of \$2,138,464.

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Notes to the Financial Statements, Continued
June 30, 2019

At June 30, 2019 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

System	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 132,990	\$ 282,831
Changes in assumptions	965,735	50,602
Net difference between projected and actual earnings on pension plan investments	1,395,734	-
Changes in proportion and differences between contributions and proportionate share of contributions	146,457	47,460
Contributions subsequent to the measurement date	761,608	-
	<u>\$ 3,402,524</u>	<u>\$ 380,893</u>

\$761,608 reported as deferred outflows of resources related to pensions, results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows / (Inflows) of Resources
2019	\$ 951,999
2020	288,788
2021	214,045
2022	727,782
2023	34,950
Thereafter	42,458

Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25 - 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2018, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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Notes to the Financial Statements, Continued
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.75%
	Inflation		2.50%
	Expected arithmetic nominal return		7.25%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95 percent.

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Notes to the Financial Statements, Continued
June 30, 2019

Sensitivity of the Proportionate Share of the Net Pension Asset and Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 5,288,490	\$ 2,580,431	\$ 325,333
Contributory System	406,208	191,351	10,487
Public Safety System	6,234,679	3,180,672	701,490
Firefighters Retirement System	1,581,851	423,901	(513,728)
Tier 2 Public Employees System	133,168	33,241	(43,878)
Tier 2 Public Safety and Firefighter	163,760	21,711	(86,992)
	<u>\$ 13,808,156</u>	<u>\$ 6,431,307</u>	<u>\$ 392,712</u>

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

The City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

401(k) Plan
457(b) Plan
Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, were as follows:

	2019	2018	2017
401(k) Plan			
Employer Contributions	44,391	46,241	37,457
Employee Contributions	10,447	11,499	14,185
457 Plan			
Employer Contributions	-	-	-
Employee Contributions	23,872	23,525	19,555
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	7,042	6,534	7,125

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Notes to the Financial Statements, Continued
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401A Plan

The City provides a 401a plan for employees, which is administered by ICMA Retirement Corporation. All permanent full-time employees along with elected officials and permanent intermittent employees are eligible to participate in the plan. The City contributes 15.45% of earnings for merit participants, 16.46% for police officers, 17.64% for firefighters, and 24.16% for administrative participants, minus the City's contribution to the Utah State Retirement System on behalf of the participant for the plan year. Participants are not required to contribute to this plan but may make voluntary after tax contributions. Benefits after termination of employment are paid to individuals based on account balances in lump sum, or as periodic benefit payments, at the option of the participant. Authority to establish and amend the provisions and contribution requirements lies with the Roy City Council.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employees are 100% vested and the City owns none of the plan assets. Total payroll for the fiscal year was \$10,852,072 and eligible payroll under this plan was \$8,600,667 for the same period. At June 30, 2019 total plan assets were \$5,950,925. Total contribution requirements were \$51,357, or .60% of covered payroll, and were paid by the due dates.

6. Other Information

Redevelopment Agency

The Redevelopment Agency of Roy Utah (RDA) consists of four project areas and does not pay tax increment to any other taxing agency. The RDA pays the City a management fee, which totaled \$164,592 for FY 2019.

Financial information relating to the project areas for the fiscal year ending June 30, 2019 is as follows:

	Project Area #2	Project Area #3	Project Area #4	General
Tax increment collected	\$ 56,710	\$ 8,379	\$ -	\$ -
Contributions from other government units	265,238	38,921	-	-
Amounts expended for:				
Administrative costs	148,592	11,000	-	5,000
Redevelopment activities	123,017	-	-	3,125

Commitments

The City had purchase orders outstanding at the end of the year which had not been fulfilled. For the general fund the commitments totaled \$116,351. The City had no open contracts for which work had not begun at June 30, 2019.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The City uses an internal service fund to account for its risk financing activities with the inter-fund premiums being treated as inter-fund services used. Liabilities are reported when it is probable that a loss has occurred and the amount of the

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2019

loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. At June 30, 2019, there were no outstanding claims or judgments that management considered necessary for accrual.

Premiums are paid into the risk management fund by other funds and are available to pay claims, claim reserves and administrative costs of programs. During the fiscal years ending June 30, 2019, 2018 and 2017, there were no reductions in insurance coverage and no settlements exceeded insurance coverage. Net position of the fund is intended for funding future losses and totaled \$564,075 at June 30, 2019.

Contingent Liabilities

Grants

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, primarily the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial. At June 30, 2019, the City had not been informed by federal or state agencies of any grant violations.

Litigation and Claims

The City is currently named as a defendant in various lawsuits. While the final outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

Subsequent Event

Subsequent events have been evaluated through the auditor's report date, which is the date the financial statements were available to be issued. There were no subsequent events to disclose.

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REQUIRED SUPPLEMENTARY INFORMATION

Changes in Pension Assumptions

The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.

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Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability in Utah Retirement Systems - Last 10 Fiscal Years
December 31, 2018

	Year Ending December 31	Non- Contributory System	Contributory System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System
Proportion of the net pension liability / (asset)	2018	0.3504247%	0.4715379%	1.2363720%	3.2646087%	0.0776142%	0.8665285%
	2017	0.3520598%	0.4247650%	1.2409621%	3.8688262%	0.0838608%	0.9385360%
	2016	0.3358198%	0.3362274%	1.1839327%	4.0952062%	0.0794033%	1.0268670%
	2015	0.3608630%	0.1789819%	1.1519670%	4.4745102%	0.0770444%	1.0019573%
	2014	0.3506427%	0.1367805%	1.2351900%	4.4969546%	0.0727692%	1.0948718%
Proportionate share of the net pension liability / (asset)	2018	\$ 2,580,431	\$ 191,351	\$ 3,180,672	\$ 423,901	\$ 33,241	\$ 21,711
	2017	1,542,480	34,565	1,946,645	(241,629)	7,394	(10,860)
	2016	2,156,374	110,320	2,402,526	(32,284)	8,857	(8,914)
	2015	2,041,938	125,798	2,063,462	(81,042)	(168)	(14,639)
	2014	1,522,573	39,453	1,553,354	(256,614)	(2,205)	(16,197)
Covered employee payroll	2018	\$ 2,985,104	\$ 88,257	\$ 1,723,898	\$ 1,015,041	\$ 905,682	\$ 1,156,719
	2017	3,026,142	86,192	1,730,852	1,131,855	821,370	990,872
	2016	2,944,508	80,674	1,620,081	1,150,834	651,172	848,418
	2015	3,122,071	76,262	1,550,072	1,203,594	497,757	596,172
	2014	3,004,330	73,029	1,667,574	1,180,946	357,223	452,855
Proportionate share of the net pension liability / (asset) as a percentage of its covered employee payroll	2018	86.44%	216.81%	184.50%	41.76%	3.67%	1.87%
	2017	50.97%	40.10%	112.47%	-21.35%	0.90%	-1.10%
	2016	73.23%	136.75%	148.30%	-2.81%	1.36%	-1.05%
	2015	65.40%	164.96%	133.12%	-6.73%	-0.03%	-2.46%
	2014	50.70%	54.00%	93.20%	-21.70%	-0.06%	-3.60%
Plan fiduciary net position as a percentage of the total net pension	2018	87.0%	91.2%	84.7%	94.3%	90.8%	95.6%
	2017	91.9%	98.2%	90.2%	103.0%	97.4%	103.0%
	2016	87.3%	92.9%	86.5%	100.4%	95.1%	103.6%
	2015	87.8%	85.7%	87.1%	101.0%	100.2%	110.7%
	2014	90.2%	94.0%	90.5%	103.5%	103.5%	120.5%

Note: The schedule above is presented for the current year only. In accordance with paragraph 81.a of GASB 68, a 10 year history is required. The 10 year schedule will need to be built prospectively as the information becomes available.

Required Supplementary Information
Schedule of Utah State Retirement Systems Contributions - Last 10 Fiscal Years
June 30, 2019

	As of Fiscal	Actuarial	Contributions in	Contribution	Covered	Contributions
	Year Ended	Determined	Relation to the	Deficiency	Payroll	as a Percentage
	June 30,	Contributions	Contractually	(Excess)		of Covered
			Required			Employee
			Contribution			Payroll
Noncontributory System	2019	\$ 538,120	\$ 538,120	\$ -	\$ 2,950,477	18.24%
	2018	556,332	556,332	-	3,088,157	18.02%
	2017	526,565	526,565	-	2,936,523	17.93%
	2016	537,756	537,756	-	3,000,792	17.92%
Contributory System	2019	\$ 13,185	\$ 13,185	\$ -	\$ 91,183	14.46%
	2018	12,736	12,736	-	88,076	14.46%
	2017	11,850	11,850	-	81,953	14.46%
	2016	11,379	11,379	-	78,691	14.46%
Public Safety System	2019	\$ 579,233	\$ 579,233	\$ -	\$ 1,664,839	34.91%
	2018	617,925	617,925	-	1,769,295	34.92%
	2017	580,929	580,929	-	1,663,874	34.91%
	2016	555,499	555,499	-	1,564,573	35.50%
Firefighters System	2019	\$ 46,215	\$ 46,215	\$ -	\$ 1,002,858	4.61%
	2018	42,876	42,876	-	1,091,723	3.93%
	2017	45,198	45,198	-	1,167,685	3.87%
	2016	45,897	45,897	-	1,155,267	3.97%
Tier 2 Public Employees System*	2019	\$ 146,198	\$ 146,198	\$ -	\$ 940,781	15.54%
	2018	126,587	126,587	-	840,147	15.07%
	2017	116,161	116,161	-	783,685	14.82%
	2016	82,639	82,639	-	555,939	14.86%
Tier 2 Public Safety and Firefighters System*	2019	\$ 196,256	\$ 196,256	\$ -	\$ 1,211,828	16.20%
	2018	164,553	164,553	-	1,051,689	15.65%
	2017	152,448	152,448	-	971,487	15.69%
	2016	113,608	113,608	-	685,924	16.56%
Tier 2 Public Employees DC Only System*	2019	\$ 12,662	\$ 12,662	\$ -	\$ 189,260	6.49%
	2018	9,718	9,718	-	145,259	6.69%
	2017	3,867	3,867	-	59,555	6.49%
	2016	1,915	1,915	-	28,632	6.69%
Tier 2 Public Safety and Firefighters DC Only System*	2019	\$ 5,324	\$ 5,324	\$ -	\$ 42,695	12.99%
	2018	5,563	5,563	-	42,828	12.99%
	2017	5,153	5,153	-	39,670	12.99%
	2016	4,739	4,739	-	36,480	12.99%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 System.

Tier 2 Systems were created effective July 1, 2011.

Non-major Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Storm Sewer Development – This fund is used to account for impact fees imposed for the expansion and enlargement of the City's storm sewer system. (Impact fees are a one-time charge imposed by a local government to mitigate the impact on infrastructure caused by new development. Fees must be held in a separate ledger account, retain the interest earned, and may only be expended for system improvements in the specific public facility type for which the fee was collected.)

Park Development – This fund is used to account for the impact fees imposed for the expansion and enlargement of the City's parks. (Impact fees are a one-time charge imposed by a local government to mitigate the impact on infrastructure caused by new development. Fees must be held in a separate ledger account, retain the interest earned, and may only be expended for system improvements in the specific public facility type for which the fee was collected.)

Cemetery – This fund is used to account for monies held to expand and maintain the City cemetery. Funding for the cemetery fund comes from 20% of the sales price of cemetery lots.

Capital Projects Funds

The City has created capital projects funds in order to distinguish operating activities from capital activities. The capital projects funds are not used for routine capital outlay, rather for the acquisition and construction of major capital assets and for capital acquisition or construction financed with borrowed or contributed resources. The funds are financed by transfers from the general fund and are not used for projects financed by proprietary funds.

Capital Improvements – This fund is used to account for construction of and improvements to infrastructure throughout the City.

Fire and Rescue Facilities and Equipment – This fund is used to account for the purchase of major fire equipment such as ladder trucks and ambulances.

Recreational Facilities Improvements - This fund is used to account for the construction, expansion, and replacement of recreational facilities throughout the City.

ROY CITY CORPORATION
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

	Special Revenue Fund			
	Storm Sewer Development	Park Development	Cemetery	Total Special Revenue Funds
ASSETS				
Cash	\$ 131,265	\$ 282,443	165,021	\$ 578,729
Accounts Receivable, net	-	-	-	-
Total Assets	<u>131,265</u>	<u>282,443</u>	<u>165,021</u>	<u>578,729</u>
LIABILITIES				
Accounts payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Assigned	<u>131,265</u>	<u>282,443</u>	<u>165,021</u>	<u>578,729</u>
Total fund balances	<u>131,265</u>	<u>282,443</u>	<u>165,021</u>	<u>578,729</u>
Total liabilities and fund balances	<u>\$ 131,265</u>	<u>\$ 282,443</u>	<u>\$ 165,021</u>	<u>\$ 578,729</u>

ROY CITY CORPORATION
Combining Balance Sheet, continued
Non-Major Governmental Funds
June 30, 2019

Capital Projects Funds				Total Non-Major Governmental Funds
Capital Improvements	Fire & Rescue Facilities and Equipment	Recreational Facilities Improvements	Total Capital Projects Funds	
\$ 367,831	\$ 696,948	\$ 518,020	\$ 1,582,799	\$ 2,161,528
-	-	-	-	-
<u>367,831</u>	<u>696,948</u>	<u>518,020</u>	<u>1,582,799</u>	<u>2,161,528</u>
-	-	47,384	47,384	47,384
-	-	47,384	47,384	47,384
367,831	696,948	470,636	1,535,415	2,114,144
<u>367,831</u>	<u>696,948</u>	<u>470,636</u>	<u>1,535,415</u>	<u>2,114,144</u>
<u>\$ 367,831</u>	<u>\$ 696,948</u>	<u>\$ 518,020</u>	<u>\$ 1,582,799</u>	<u>\$ 2,161,528</u>

ROY CITY CORPORATION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Special Revenue Fund			
	Storm Sewer Development	Park Development	Cemetery	Total Special Revenue Funds
Revenues:				
Impact fees	\$ 96,691	106,500	\$ -	\$ 203,191
Investment earnings	5,874	6,951	-	12,825
Other income	-	-	180	180
Total revenues	<u>102,565</u>	<u>113,451</u>	<u>180</u>	<u>216,196</u>
Expenditures:				
Project outlays	<u>241,211</u>	<u>26,091</u>	<u>-</u>	<u>267,302</u>
Total expenditures	<u>241,211</u>	<u>26,091</u>	<u>-</u>	<u>267,302</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(138,646)</u>	<u>87,360</u>	<u>180</u>	<u>(51,106)</u>
Other financing sources				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	(138,646)	87,360	180	(51,106)
Fund balances - beginning of year	269,911	195,083	164,841	629,835
Fund balances - end of year	<u>\$ 131,265</u>	<u>\$ 282,443</u>	<u>\$ 165,021</u>	<u>\$ 578,729</u>

ROY CITY CORPORATION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2019

Capital Projects Funds				Total Non-Major Governmental Funds
Capital Improvements	Fire & Rescue Facilities and Equipment	Recreational Facilities Improvements	Total Capital Projects Funds	
\$ -	\$ -	\$ -	\$ -	\$ 203,191
39,719	-	-	39,719	52,544
-	-	-	-	180
39,719	-	-	39,719	255,915
-	187,896	1,328,337	1,516,233	1,783,535
-	187,896	1,328,337	1,516,233	1,783,535
39,719	(187,896)	(1,328,337)	(1,476,514)	(1,527,620)
225,000	185,500	-	410,500	410,500
225,000	185,500	-	410,500	410,500
264,719	(2,396)	(1,328,337)	(1,066,014)	(1,117,120)
103,112	699,344	1,798,973	2,601,429	3,231,264
\$ 367,831	\$ 696,948	\$ 470,636	\$ 1,535,415	\$ 2,114,144

ROY CITY CORPORATION
Storm Sewer Development - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive/(Negative)
Revenues:				
Impact Fees	\$ 20,000	\$ 89,500	\$ 96,691	\$ 7,191
Investment earnings	2,000	4,500	5,874	1,374
Total revenue	<u>22,000</u>	<u>94,000</u>	<u>102,565</u>	<u>8,565</u>
Expenditures:				
Project Outlays	<u>146,000</u>	<u>268,000</u>	<u>241,211</u>	<u>(26,789)</u>
Total expenditures	<u>146,000</u>	<u>268,000</u>	<u>241,211</u>	<u>(26,789)</u>
Net change in fund balance	(124,000)	(174,000)	(138,646)	35,354
Fund balance - beginning of year	<u>269,911</u>	<u>269,911</u>	<u>269,911</u>	<u>1,586,792</u>
Fund balance - end of year	<u>\$ 145,911</u>	<u>\$ 95,911</u>	<u>\$ 131,265</u>	<u>\$ 1,622,146</u>

ROY CITY CORPORATION
 Park Development - Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
 For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive/(Negative)
Revenues:				
Impact Fees	\$ 20,000	\$ 87,500	\$ 106,500	\$ 19,000
Investment earnings	3,000	4,000	6,951	2,951
Total revenue	<u>23,000</u>	<u>91,500</u>	<u>113,451</u>	<u>21,951</u>
Expenditures:				
Project Outlays	200,000	268,500	26,091	(242,409)
Total expenditures	<u>200,000</u>	<u>268,500</u>	<u>26,091</u>	<u>(242,409)</u>
Net change in fund balance	(177,000)	(177,000)	87,360	264,360
Fund balance - beginning of year	195,083	195,083	195,083	1,586,792
Fund balance - end of year	<u>\$ 18,083</u>	<u>\$ 18,083</u>	<u>\$ 282,443</u>	<u>\$ 1,851,152</u>

ROY CITY CORPORATION
 Cemetery - Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
 For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive/(Negative)
Revenues:				
Other Revenue	\$ -	\$ -	\$ 180	\$ 180
Total revenue	-	-	180	180
Net change in fund balance	-	-	180	180
Fund balance - beginning of year	164,841	164,841	164,841	1,586,792
Fund balance - end of year	<u>\$ 164,841</u>	<u>\$ 164,841</u>	<u>\$ 165,021</u>	<u>\$ 1,586,972</u>

ROY CITY CORPORATION
 Capital Improvement Plan - Capital Projects Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
 For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/(Negative)
Revenues:				
Investment earnings	\$ -	\$ 30,000	\$ 39,719	\$ 9,719
Total revenues	-	30,000	39,719	9,719
Expenditures:				
Project Outlays	-	-	-	-
Total expenditures	-	-	-	-
Other Financing Sources:				
Transfers In/(Out)	-	225,000	225,000	-
Total Other Financing Sources	-	225,000	225,000	-
Net change in fund balance	-	255,000	264,719	9,719
Fund balance - beginning of year	103,112	103,112	103,112	-
Fund balance - end of year	\$ 103,112	\$ 358,112	\$ 367,831	\$ 9,719

ROY CITY CORPORATION
Fire and Rescue Facilities and Equipment - Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/(Negative)
Expenditures:				
Project Outlays	\$ 187,587	\$ 187,896	\$ 187,896	\$ -
Total expenditures	187,587	187,896	187,896	-
Other Financing Sources:				
Transfers In/(Out)	185,500	185,500	185,500	-
Total Other Financing Sources	185,500	185,500	185,500	-
Net change in fund balance	(2,087)	(2,396)	(2,396)	-
Fund balance - beginning of year	699,344	699,344	699,344	-
Fund balance - end of year	\$ 697,257	\$ 696,948	\$ 696,948	\$ -

ROY CITY CORPORATION
 Recreational Facilities Improvements - Capital Projects Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
 For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/(Negative)
Expenditures:				
Project Outlays	\$ -	\$ 1,491,989	\$ 1,328,337	\$ (163,652)
Total expenditures	-	1,491,989	1,328,337	(163,652)
Other Financing Sources:				
Transfers In/(Out)	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net change in fund balance	-	(1,491,989)	(1,328,337)	163,652
Fund balance - beginning of year	1,798,973	1,798,973	1,798,973	-
Fund balance - end of year	<u>\$ 1,798,973</u>	<u>\$ 306,984</u>	<u>\$ 470,636</u>	<u>\$ 163,652</u>

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis.

Information Technology – This fund is used to account for the accumulation and allocation of costs associated with the electronic data processing. It provides service to all governmental and proprietary funds and is financed by charges made to those funds.

Risk Management - This fund is used to account for the costs of insurance premiums and claims made against the City. Monies are accumulated in this fund to pay premiums for liability and property damage insurance and other claims. The City participates in the Utah Risk Management Mutual Association for its liability and property damage insurance. Insurance for facilities, equipment and vehicles is purchased from private insurers. The fund is financed by charges made to the general and proprietary funds.

ROY CITY CORPORATION
Internal Service Funds
Combining Statement of Net Position
June 30, 2019

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	Information Technology	Risk Management	Total
ASSETS			
Current assets:			
Cash	\$ 220,835	\$ 575,918	\$ 796,753
Prepaid items	3,976	-	3,976
Total current assets	<u>224,811</u>	<u>575,918</u>	<u>800,729</u>
Noncurrent assets:			
Capital assets:			
Furnishings and fixtures	1,998	-	1,998
Computer hardware	615,196	-	615,196
Software	96,080	-	96,080
Less accumulated depreciation	<u>(512,558)</u>	<u>-</u>	<u>(512,558)</u>
Total capital assets net of accumulated depreciation	<u>200,716</u>	<u>-</u>	<u>200,716</u>
Total noncurrent assets	<u>200,716</u>	<u>-</u>	<u>200,716</u>
Total assets	<u>425,527</u>	<u>575,918</u>	<u>1,001,445</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	44,271	-	44,271
Total deferred outflows of resources	<u>\$ 44,271</u>	<u>\$ -</u>	<u>\$ 44,271</u>

ROY CITY CORPORATION
Internal Service Funds
Combining Statement of Net Position, continued
June 30, 2019

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	Information Technology	Risk Management	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 6,757	\$ 11,842	\$ 18,599
Accrued Wages	2,585	-	2,585
Compensated absences	4,933	-	4,933
Total current liabilities	<u>14,275</u>	<u>11,842</u>	<u>26,117</u>
Long-term liabilities, less current portion:			
Compensated absences	19,239	-	19,239
Net pension liability	62,582	-	62,582
Total liabilities	<u>96,096</u>	<u>11,842</u>	<u>107,938</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	16,870	-	16,870
Total deferred inflows of resources	<u>16,870</u>	<u>-</u>	<u>16,870</u>
NET POSITION			
Net investments in capital assets	200,716	-	200,716
Unrestricted	156,116	564,076	720,192
Total net position	<u>\$ 356,832</u>	<u>\$ 564,076</u>	<u>\$ 920,908</u>

ROY CITY CORPORATION
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2019

	Information Technology	Risk Management	Total
Operating revenues:			
Charges for services	\$ 496,231	\$ 316,872	\$ 813,103
Other income	-	21,232	21,232
Total operating revenue	<u>496,231</u>	<u>338,104</u>	<u>834,335</u>
Operating expenses:			
Personnel services	155,750	-	155,750
Contractual services	112,737	172,809	285,546
Materials and supplies	51,291	-	51,291
Other general costs of services	3,071	80,191	83,262
Depreciation	78,797	-	78,797
Total Operating expenses	<u>401,646</u>	<u>253,000</u>	<u>654,646</u>
Operating income (loss)	<u>94,585</u>	<u>85,104</u>	<u>179,689</u>
Changes in net position	94,585	85,104	179,689
Total net position - beginning	<u>262,247</u>	<u>478,972</u>	<u>741,219</u>
Total net position - ending	<u>\$ 356,832</u>	<u>\$ 564,076</u>	<u>\$ 920,908</u>

ROY CITY CORPORATION
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2019

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	Information Technology	Risk Management	Total
Cash flows from operating activities:			
Cash received from interfund services provided	\$ 496,232	\$ 316,872	\$ 813,104
Other income	-	21,232	21,232
Payments to suppliers	(140,753)	(369,302)	(510,055)
Payments to employees	(173,030)	-	(173,030)
Net cash provided by operating activities	182,449	(31,198)	151,251
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(58,389)	-	(58,389)
Net cash used in capital and related financing activities	(58,389)	-	(58,389)
Net increase (decrease) in cash	124,060	(31,198)	92,862
Cash - beginning of year	96,775	607,116	703,891
Cash - end of year	\$ 220,835	\$ 575,918	\$ 796,753
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 94,585	\$ 85,104	\$ 179,689
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	78,797	-	78,797
(Increase) decrease in prepaids	26,342	-	26,342
(Increase) decrease in deferred outflows	349	-	349
(Increase) decrease in net pension asset	3,760	-	3,760

ROY CITY CORPORATION
Internal Service Funds
Combining Statement of Cash Flows, continued
For the Fiscal Year Ended June 30, 2019

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	Information Technology	Risk Management	Total
Increase (decrease) in accounts payable	4	7,245	7,249
Increase (decrease) in accrued wages	(8,585)	-	(8,585)
Increase (decrease) in compensated absences	(15,373)	-	(15,373)
Increase (decrease) in deferred inflows	(29,012)	-	(29,012)
Increase (decrease) in net pension liability	31,581	-	31,581
Increase (decrease) in recaptured losses	-	(123,547)	(123,547)
Total adjustments	87,863	(116,302)	(28,439)
Net cash provided by operating activities	\$ 182,448	\$ (31,198)	\$ 151,250

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**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

ROY CITY CORPORATION
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules By Source
June 30, 2019 and 2018

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	<u>2019</u>	<u>2018</u>
Governmental Funds Capital Assets:		
Land	\$ 3,829,129	\$ 3,745,256
Buildings	11,827,224	11,780,076
Improvements other than Buildings	35,410,826	35,399,674
Machinery and Equipment	4,510,640	4,391,993
Vehicles	7,629,148	7,188,369
Construction in Progress	5,758,842	4,000,372
Total Governmental Funds Capital Assets	<u>\$ 68,965,808</u>	<u>\$ 66,505,741</u>
Investments in Governmental Funds Capital Assets by Source:		
General Fund	\$ 38,007,030	\$ 37,374,089
Capital Projects Fund	18,074,583	16,560,023
Special Revenue Funds	8,619,401	8,306,834
Donations	4,264,794	4,264,794
Total Governmental Funds Capital Assets	<u>\$ 68,965,808</u>	<u>\$ 66,505,741</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

ROY CITY CORPORATION
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2019

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Function and Activity	Land	Buildings	Improvmnts other than Buildings	Machinery and Equipment	Vehicles	Construction in Progress	Total
General Government:							
Legislative	\$ 1,209,110	\$ -	\$ 4,525	\$ 34,902	\$ 84,821	\$ 20,031	\$ 1,353,389
Legal	-	-	-	-	-	-	0
Justice Court	-	-	-	51,954	-	-	51,954
Community Developm	-	-	-	38,894	72,734	-	111,628
Finance	-	-	3,970	42,658	-	-	46,628
Public Buildings	-	9,100,259	713,608	339,400	215,797	280,065	10,649,129
Total	<u>1,209,110</u>	<u>9,100,259</u>	<u>722,103</u>	<u>507,808</u>	<u>373,352</u>	<u>300,096</u>	<u>12,212,728</u>
Public Safety:							
Fire	69,417	938,782	35,311	885,750	3,160,389	-	5,089,649
Police	-	-	1,768	242,652	1,608,083	-	1,852,503
Total	<u>69,417</u>	<u>938,782</u>	<u>37,079</u>	<u>1,128,402</u>	<u>4,768,472</u>	<u>-</u>	<u>6,942,152</u>
Public Works:							
Administration	185,268	-	22,208	48,790	25,656	-	281,922
Class "C" Roads	26,273	227,426	8,382,629	643,098	1,724,866	99,989	11,104,281
Fleet Services	-	-	-	122,067	69,390	-	191,457
Streets	327,700	2,275	16,071,420	689,457	255,279	938,962	18,285,093
Trans. Infrastructure	-	-	134,395	10,000	-	415,197	559,592
Total	<u>539,241</u>	<u>229,701</u>	<u>24,610,652</u>	<u>1,513,411</u>	<u>2,075,191</u>	<u>1,454,148</u>	<u>30,422,344</u>
Parks and Recreation:							
Aquatic Center	963,940	-	4,516,397	410,883	-	-	5,891,220
Beautification	-	-	-	3,579	-	835,117	838,696
Parks	1,047,420	174,931	5,017,598	492,945	306,087	3,169,482	10,208,462
Recreation	-	471,596	185,666	82,971	106,047	-	846,280
Recreation Complex	-	911,955	321,331	370,641	-	-	1,603,927
Total	<u>2,011,360</u>	<u>1,558,482</u>	<u>10,040,992</u>	<u>1,361,018</u>	<u>412,134</u>	<u>4,004,599</u>	<u>19,388,585</u>
Total Governmental							
Capital Assets	<u>\$ 3,829,128</u>	<u>\$ 11,827,224</u>	<u>\$ 35,410,826</u>	<u>\$ 4,510,639</u>	<u>\$ 7,629,149</u>	<u>\$ 5,758,842</u>	<u>\$ 68,965,808</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

ROY CITY CORPORATION
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
For the Fiscal Year Ended June 30, 2019

Function and Activity	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
General Government:				
Legislative	\$ 1,226,498	\$ 129,224	\$ (2,334)	\$ 1,353,388
Legal & Risk Management	4,707	-	(4,707)	0
Justice Court	51,708	5,700	(5,454)	51,954
Community Development	107,304	5,700	(1,376)	111,628
Finance	39,663	6,965	-	46,628
Public Buildings	10,578,991	70,138	-	10,649,129
Total General Government	12,008,871	217,727	(13,871)	12,212,728
Public Safety:				
Fire	4,561,385	529,740	(1,476)	5,089,649
Police	1,882,822	142,188	(172,507)	1,852,503
Total Public Safety	6,444,207	671,928	(173,983)	6,942,152
Public Works:				
Administration	281,923	-	-	281,923
Class "C" Roads	11,022,027	82,253	-	11,104,280
Fleet Services	179,056	15,088	(2,688)	191,457
Streets	17,958,738	326,355	-	18,285,093
Transportation Infrastructure	498,676	60,916	-	559,592
Total Public Works	29,940,420	484,611	(2,688)	30,422,344
Parks and Recreation:				
Aquatic Center	5,861,171	30,050	-	5,891,221
Beautification	838,696	-	-	838,696
Parks	8,993,131	1,365,607	(150,278)	10,208,460
Recreation	839,841	7,540	(1,100)	846,281
Recreation Complex	1,579,404	24,523	-	1,603,927
Total Parks and Recreation	18,112,243	1,427,720	(151,378)	19,388,585
Total Governmental Funds Capital Assets	\$ 66,505,741	\$ 2,801,986	\$ (341,919)	\$ 68,965,808

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position

STATISTICAL SECTION

This part of Roy City Corporation's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
FINANCIAL TRENDS	106
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
REVENUE CAPACITY	119
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources, the sales tax and property tax.</i>	
DEBT CAPACITY	125
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
DEMOGRAPHICS AND ECONOMIC INFORMATION	129
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
OPERATING INFORMATION	131
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**ROY CITY CORPORATION
GOVERNMENT-WIDE REVENUES
Last Ten Fiscal Years**

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For Discussion
Purposes Only

Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Unrestricted Investment Earnings	Contributions from other Gvt Units	Miscellaneous	Total
2018-19	\$ 15,293,469	\$ 1,641,152	\$ 233,673	\$ 12,580,192	\$ 618,215	\$ 711,141	\$ 499,082	\$ 31,576,924
2017-18	14,835,045	1,942,147	541,446	12,478,793	367,027	661,586	1,202,695	32,028,739
2016-17	14,222,446	1,628,543	133,683	12,189,922	212,108	755,046	294,155	29,435,903
2015-16	13,511,142	1,356,020	260,587	10,850,597	127,281	453,589	292,758	26,851,974
2014-15	12,991,240	1,261,884	236,149	10,620,108	818,374	-	1,303,945	27,231,700
2013-14	11,597,798	1,267,654	435,080	10,491,898	80,969	-	622,877	24,496,276
2012-13	11,428,781	1,263,404	1,329,151	10,168,511	593,896	-	731,494	25,515,237
2011-12	10,511,746	1,304,150	511,539	9,829,495	89,863	-	595,368	22,842,161
2010-11	10,268,538	1,200,056	2,873,376	9,532,826	69,702	-	402,960	24,347,458
2009-10	10,239,629	1,148,158	2,098,255	9,387,893	91,936	-	386,565	23,352,436

ROY CITY CORPORATION
GOVERNMENT-WIDE EXPENSES BY FUNCTION
Last Ten Fiscal Years

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Fiscal Year	General Government	Public Safety	Highways and Streets	Parks and Recreation	Interest and Fiscal Charges	Water and Sewer Utility	Storm Sewer Utility	Solid Waste Utility	Total
2018-19	\$ 5,718,370	\$ 8,786,682	\$ 2,102,800	\$ 2,830,061	\$ -	\$ 8,431,834	\$ 726,240	\$ 2,133,710	\$ 30,729,697
2017-18	3,818,502	8,656,121	2,800,324	3,190,074	582	8,157,867	669,714	1,893,385	29,186,569
2016-17	3,357,633	9,060,658	3,364,725	2,998,691	4,383	7,275,028	634,642	1,780,606	28,476,366
2015-16	3,538,719	8,190,940	2,619,945	2,768,728	6,488	6,826,334	516,205	1,850,687	26,318,046
2014-15	4,330,730	7,747,025	2,514,322	2,591,095	8,445	6,075,016	498,700	1,850,632	25,615,965
2013-14	3,328,328	7,760,529	2,558,874	2,536,514	10,185	5,526,567	404,465	1,728,775	23,854,237
2012-13	3,329,353	7,612,498	2,999,507	2,623,244	8,308	4,589,355	382,653	1,608,499	23,153,417
2011-12	3,620,941	7,260,104	2,668,853	2,530,588	64,801	4,315,012	341,969	1,487,770	22,290,038
2010-11	3,258,496	7,248,790	2,639,589	2,414,439	50,897	4,111,957	368,083	1,548,614	21,640,865
2009-10	3,201,528	7,130,287	2,512,928	2,465,297	61,736	4,084,228	346,546	1,468,750	21,271,300

ROY CITY CORPORATION
GENERAL GOVERNMENTAL REVENUES AND OTHER FINANCING SOURCES
Last Ten Fiscal Years

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FISCAL YEAR	TAXES	LICENSES AND PERMITS	INTERGOVERN- MENTAL	CHARGES FOR SERVICES	FINES AND FORFEITURES	INTEREST AND MISC	OTHER FINANCING SOURCES	TOTAL
2018-19	\$ 12,515,103	\$ 508,790	\$ 1,671,634	\$ 2,713,949	\$ 704,209	\$ 930,055	\$ 79,261	\$ 19,123,001
2017-18	12,420,810	370,189	2,314,810	2,588,017	820,148	411,330	1,374,106	20,299,410
2016-17	12,124,040	455,997	1,645,327	2,555,482	679,629	420,367	452,684	18,333,526
2015-16	10,801,204	386,127	1,404,758	2,427,003	780,647	327,638	67,304	16,194,681
2014-15	10,570,367	382,323	1,365,201	2,634,076	774,217	897,476	223,450	16,847,110
2013-14	10,420,699	280,987	1,502,234	2,404,922	700,808	458,139	54,172	15,821,961
2012-13	9,602,554	234,559	1,268,489	3,272,233	730,772	470,957	1,701,928	17,281,492
2011-12	9,348,562	391,361	1,332,855	2,901,616	752,390	458,388	942,911	16,128,083
2010-11	9,045,168	282,723	1,244,242	2,741,540	723,989	430,807	358,950	14,827,419
2009-10	8,914,576	315,060	2,536,801	2,688,425	632,539	548,974	338,225	15,974,600

Note:

General government is limited to the City's General Fund.

ROY CITY CORPORATION
GENERAL GOVERNMENTAL EXPENDITURES (Budget Basis) AND OTHER USES BY FUNCTION
Last Ten Fiscal Years

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Fiscal Year	General Government	Public Safety	Highways and Streets	Parks and Recreation	Debt Service	Other Financing Uses	Total
2018-19	\$ 3,587,311	\$ 8,720,933	\$ 2,102,800	\$ 2,830,061	\$ -	\$ 410,500	\$ 17,651,605
2017-18	3,570,141	9,066,057	2,771,147	2,837,011	118,170	2,067,400	20,429,926
2016-17	3,323,182	8,596,891	3,221,211	2,830,370	119,933	715,780	18,807,367
2015-16	2,839,461	8,028,590	1,702,043	2,530,734	120,014	257,025	15,477,867
2014-15	3,219,745	7,973,281	2,199,257	2,221,230	119,891	1,787,031	17,520,435
2013-14	2,925,292	8,199,184	1,815,218	2,209,599	119,596	220,025	15,488,914
2012-13	3,936,031	7,329,098	2,417,511	2,204,956	275,116	647,050	16,809,762
2011-12	3,190,479	7,359,687	1,819,427	2,050,866	311,594	657,142	15,389,195
2010-11	3,063,502	6,985,946	1,724,724	1,920,939	277,937	212,340	14,185,388
2009-10	2,994,623	6,913,952	1,834,389	1,968,899	277,501	2,162,693	16,152,057
2008-09	2,945,590	6,915,667	2,109,472	1,995,110	278,943	490,275	14,735,057

Notes:

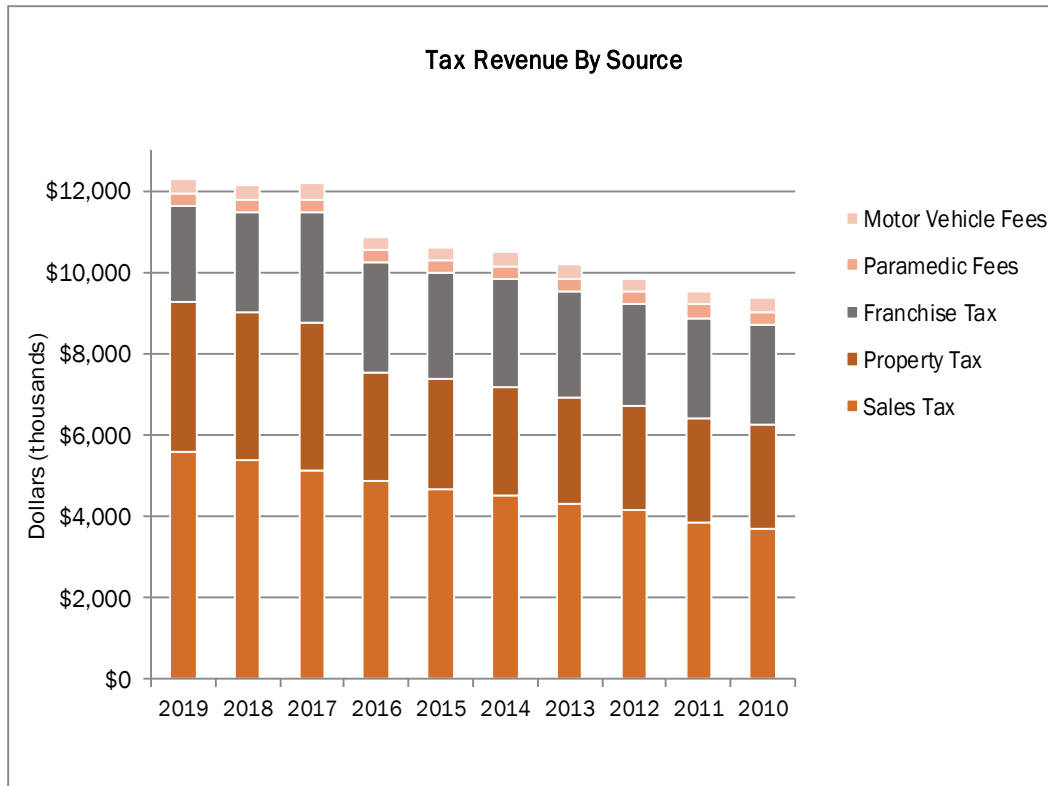
General government is limited to the City's General Fund.

Other financing uses included transfers to the Capital Projects Fund for construction of capital assets.

ROY CITY CORPORATION
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

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Fiscal Year	Sales Tax	Property Tax	Franchise Tax	Paramedic Fees	Motor Vehicle Fees	Total
2019	\$ 5,569	\$ 3,714	\$ 2,323	\$ 301	\$ 363	\$ 12,270
2018	5,399	3,634	2,413	320	378	12,144
2017	5,118	3,641	2,684	320	426	12,189
2016	4,878	2,661	2,685	320	306	10,850
2015	4,690	2,689	2,599	335	309	10,622
2014	4,498	2,658	2,697	308	330	10,491
2013	4,300	2,600	2,634	320	317	10,171
2012	4,142	2,591	2,464	320	312	9,829
2011	3,830	2,558	2,488	320	338	9,534
2010	3,701	2,550	2,455	320	363	9,389



ROY CITY CORPORATION
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

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	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities										
Invested in capital assets, net of related debt	\$ 36,063	\$ 35,589	\$ 33,743	\$ 33,326	\$ 33,958	\$ 34,249	\$ 34,469	\$ 34,239	\$ 35,269	\$ 35,212
Restricted	3,729	2,861	2,434	2,689	2,331	2,301	2,261	2,116	1,735	2,994
Unrestricted	4,254	5,309	5,511	5,686	5,787	8,085	7,958	7,256	6,476	4,274
Total governmental activities net position	<u>\$ 44,046</u>	<u>\$ 43,759</u>	<u>\$ 41,688</u>	<u>\$ 41,701</u>	<u>\$ 42,076</u>	<u>\$ 44,635</u>	<u>\$ 44,688</u>	<u>\$ 43,611</u>	<u>\$ 43,480</u>	<u>\$ 42,480</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 20,253	\$ 20,534	\$ 20,075	\$ 19,816	\$ 18,786	\$ 18,806	\$ 18,574	\$ 18,334	\$ 17,940	\$ 16,961
Restricted	-	-	-	-	-	-	-	27	1,106	485
Unrestricted	10,197	9,355	9,043	8,329	8,453	7,658	7,196	6,121	5,014	4,907
Total business-type activities net position	<u>\$ 30,450</u>	<u>\$ 29,889</u>	<u>\$ 29,118</u>	<u>\$ 28,145</u>	<u>\$ 27,239</u>	<u>\$ 26,464</u>	<u>\$ 25,770</u>	<u>\$ 24,482</u>	<u>\$ 24,060</u>	<u>\$ 22,353</u>
Primary government										
Net Investment in capital assets	\$ 56,316	\$ 56,123	\$ 53,818	\$ 53,142	\$ 52,744	\$ 53,055	\$ 53,043	\$ 52,573	\$ 53,209	\$ 52,173
Restricted	3,729	2,861	2,434	2,689	2,331	2,301	2,261	2,143	2,841	3,479
Unrestricted	14,451	14,664	14,554	14,015	14,240	15,743	15,154	13,377	11,490	9,181
Total primary government net position	<u>\$ 74,496</u>	<u>\$ 73,648</u>	<u>\$ 70,806</u>	<u>\$ 69,846</u>	<u>\$ 69,315</u>	<u>\$ 71,099</u>	<u>\$ 70,458</u>	<u>\$ 68,093</u>	<u>\$ 67,540</u>	<u>\$ 64,833</u>

ROY CITY CORPORATION
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 1 of 3

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental activities:										
General government	\$ 5,718	\$ 3,819	\$ 3,358	\$ 3,539	\$ 4,331	\$ 3,328	\$ 2,961	\$ 3,621	\$ 3,258	\$ 3,202
Public safety	8,787	8,656	9,061	8,191	7,747	7,761	7,612	7,260	7,249	7,130
Public works	2,103	2,800	3,365	2,620	2,514	2,559	2,677	2,669	2,640	2,513
Parks and recreation	2,830	3,190	2,998	2,769	2,591	2,536	2,604	2,531	2,414	2,465
Interest and fiscal charges	-	1	4	6	8	10	8	65	51	62
Total governmental activities expenses	19,438	18,466	18,786	17,125	17,191	16,194	15,862	16,146	15,612	15,372
Business-type activities:										
Water and sewer utility	8,432	8,158	7,275	6,826	6,075	5,527	5,141	4,315	4,112	4,084
Storm sewer utility	726	670	635	516	499	404	438	342	368	346
Solid waste utility	2,134	1,893	1,780	1,851	1,850	1,729	1,711	1,488	1,549	1,469
Total business-type activities expenses	11,292	10,721	9,690	9,193	8,424	7,660	7,290	6,145	6,029	5,899
Total primary government expenses	\$ 30,730	\$ 29,187	\$ 28,476	\$ 26,318	\$ 25,615	\$ 23,854	\$ 23,152	\$ 22,291	\$ 21,641	\$ 21,271
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,330	\$ 1,246	\$ 1,213	\$ 1,236	\$ 1,191	\$ 966	\$ 987	\$ 1,164	\$ 1,034	\$ 993
Public safety	1,707	1,558	1,534	1,466	1,675	1,454	1,463	1,182	1,040	956
Public works	-	-	23	51	80	92	114	49	71	129
Parks and recreation	890	974	1,046	965	941	928	1,079	1,066	1,006	1,028
Operating grants and contributions	1,641	1,942	1,638	1,356	1,262	1,268	1,263	1,304	1,200	1,148
Capital grants and contributions	234	482	92	160	178	435	734	511	1,559	1,946
Total governmental activities program revenues	5,802	6,202	5,546	5,234	5,327	5,143	5,640	5,276	5,910	6,200

ROY CITY CORPORATION
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

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	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Program Revenues, continued:										
Business-type activities:										
Charges for services:										
Water and sewer utility	8,402	8,168	7,433	6,833	6,169	5,704	5,441	4,775	4,855	4,871
Storm sewer utility	852	848	849	840	835	371	367	364	363	360
Solid waste utility	2,113	2,041	2,125	2,119	2,099	2,083	1,976	1,913	1,900	1,901
Capital grants and contributions	-	59	42	100	58	-	595	-	1,314	152
Total business-type activities program revenues	11,367	11,116	10,449	9,892	9,161	8,158	8,379	7,052	8,432	7,284
Total primary government program revenues	\$ 17,169	\$ 17,318	\$ 15,995	\$ 15,126	\$ 14,488	\$ 13,301	\$ 14,019	\$ 12,328	\$ 14,342	\$ 13,484
Net (expense)/revenue:										
Governmental activities	\$ (13,636)	\$ (12,264)	\$ (13,240)	\$ (11,891)	\$ (11,864)	\$ (11,051)	\$ (10,222)	\$ (10,870)	\$ (9,702)	\$ (9,172)
Business-type activities	75	395	759	699	737	498	1,089	907	2,403	1,385
Total primary government net expense	\$ (13,561)	\$ (11,869)	\$ (12,481)	\$ (11,192)	\$ (11,127)	\$ (10,553)	\$ (9,133)	\$ (9,963)	\$ (7,299)	\$ (7,787)
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 3,780	\$ 3,692	\$ 3,641	\$ 2,661	\$ 2,687	\$ 2,658	\$ 2,602	\$ 2,591	\$ 2,558	\$ 2,550
Sales taxes	5,569	5,399	5,118	4,878	4,690	4,497	4,300	4,142	3,830	3,701
Franchise taxes	2,868	3,011	3,005	3,005	2,934	3,006	2,954	2,783	2,807	2,775
Payments in lieu of taxes	364	378	426	306	309	330	317	312	338	363
Unrestricted investment earnings	385	221	212	127	818	81	594	88	59	68
Contributions from other government units	711	662	755	454	717	364	479	331	334	321
Gain on sale of assets	79	779	-	-	-	-	-	-	-	-

ROY CITY CORPORATION
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 3 of 3

DRAFT -
For Discussion
Purposes Only

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Revenues and Other										
Changes in Net Position, continued										
Other revenues (uses) not restricted to specific programs	167	194	80	85	386	62	54	72	69	66
Transfers	-	-	-	-	-	-	-	680	707	727
Total governmental activities	13,923	14,336	13,237	11,516	12,541	10,998	11,300	10,999	10,702	10,571
Business-type activities:										
Other revenues (uses) not restricted to specific programs	253	232	214	208	201	196	199	193	-	-
Unrestricted investment earnings	233	146	-	-	-	-	-	2	11	24
Gain on sale of assets	-	(3)	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	(680)	(707)	(727)
Total business-type activities	486	375	214	208	201	196	199	(485)	(696)	(703)
Total primary government	<u>\$ 14,409</u>	<u>\$ 14,711</u>	<u>\$ 13,451</u>	<u>\$ 11,724</u>	<u>\$ 12,742</u>	<u>\$ 11,194</u>	<u>\$ 11,499</u>	<u>\$ 10,514</u>	<u>\$ 10,006</u>	<u>\$ 9,868</u>
Change in Net Position										
Governmental activities	\$ 287	\$ 2,072	\$ (3)	\$ (375)	\$ 677	\$ (53)	\$ 1,078	\$ 129	\$ 1,000	\$ 1,399
Business-type activities	561	770	973	907	938	694	1,288	422	1,707	682
Total primary government	<u>\$ 848</u>	<u>\$ 2,842</u>	<u>\$ 970</u>	<u>\$ 532</u>	<u>\$ 1,615</u>	<u>\$ 641</u>	<u>\$ 2,366</u>	<u>\$ 551</u>	<u>\$ 2,707</u>	<u>\$ 2,081</u>

Notes:

Prior to FY 2013, personnel service costs paid to the General Fund by the Utility Funds were considered to be transfers.

ROY CITY CORPORATION
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 1 of 2

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes	\$ 12,217	\$ 12,101	\$ 11,764	\$ 10,544	\$ 10,311	\$ 10,162	\$ 9,853	\$ 10,136	\$ 9,195	\$ 9,025
Payments in lieu of taxes	364	378	426	306	309	330	317	312	338	363
Licenses and permits	509	370	456	386	382	281	235	391	283	315
Intergovernmental	1,976	2,586	1,645	1,405	1,365	1,497	1,268	1,541	1,321	2,537
Charges for services	2,714	2,588	2,555	2,427	2,634	2,405	2,562	2,902	2,742	2,688
Impact fees	203	110	125	124	97	53	117	95	109	189
Fines and forfeitures	704	820	680	781	774	701	731	752	724	633
Investment earnings	385	221	212	127	818	81	594	88	59	68
Property rental	28	26	29	30	30	34	32	37	39	43
Management fee	165	163	132	130	132	125	120	118	117	136
Contributions and donations	38	46	49	30	628	570	679	531	534	521
Miscellaneous	23	47	21	25	31	28	22	35	30	31
Total revenues	19,326	19,456	18,094	16,315	17,511	16,267	16,530	16,938	15,491	16,549
Expenditures										
General government	3,848	3,835	3,472	3,614	3,522	3,367	3,708	3,527	3,216	3,218
Public safety	8,951	8,841	8,526	8,009	8,046	8,130	7,324	7,361	7,017	6,885
Public works	2,103	2,771	3,221	1,736	2,165	2,040	1,884	1,805	1,946	1,893
Parks and recreation	2,830	2,901	2,774	2,525	2,221	2,228	2,172	2,075	1,920	1,969
Debt service:										
Principal retirement		117	115	113	111	109	260	239	467	250
Interest and fiscal charges		1	5	7	9	11	15	73	55	64
Intergovernmental		-	-	-	1,164	-	-	-	-	-
Capital outlay	1,784	1,337	901	750	489	287	307	187	238	3,328
Total expenditures	\$ 19,516	\$ 19,803	\$ 19,014	\$ 16,754	\$ 17,727	\$ 16,172	\$ 15,670	\$ 15,267	\$ 14,859	\$ 17,607

ROY CITY CORPORATION
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 2 of 2

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Excess of revenues over (under) expenditures	\$ (190)	\$ (347)	\$ (920)	\$ (439)	\$ (216)	\$ 95	\$ 860	\$ 1,671	\$ 632	\$ (1,058)
Other financing sources (uses)										
Proceeds from sale of assets	79	984	81	67	224	54	-	35	24	17
Contributions from other government units	407	390	649	267	260	-	-	-	-	-
Proceeds from revenue bonds	-	-	-	-	-	-	-	577	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	(560)	-	-
Transfers in	411	2,067	716	257	1,787	220	1,870	97	212	2,163
Transfers out	(411)	(2,067)	(716)	(257)	(1,787)	(220)	(1,870)	(97)	(212)	(2,163)
Total other financing sources (uses)	486	1,374	730	334	484	54	-	52	24	17
Net change in fund balances	<u>\$ 296</u>	<u>\$ 1,027</u>	<u>\$ (190)</u>	<u>\$ (105)</u>	<u>\$ 268</u>	<u>\$ 149</u>	<u>\$ 860</u>	<u>\$ 1,723</u>	<u>\$ 656</u>	<u>\$ (1,041)</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.7%	0.7%	0.8%	0.7%	0.8%	1.8%	2.1%	3.6%	2.2%

Notes:

Capital expenditures reported in various functional categories of expenditures have been deducted to arrive at the debt service percentage of noncapital expenditures.

ROY CITY CORPORATION
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 1 of 2

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General fund										
Non-spendable:										
Inventory	\$ 117	\$ 101	\$ 55	\$ 106	\$ 45	\$ 37	\$ 27	\$ 29	\$ 26	\$ 89
Prepaid items	1	29	40	80	86	45	52	43	44	46
Investment in land	456	456	456	456	456	-	-	-	-	-
Restricted for:										
Roads and public transit	3,729	2,861	2,434	2,689	2,273	2,301	2,261	2,115	1,736	1,201
Debt service		-	117	232	345	456	565	825	1,036	1,265
Assigned to:										
Recreation	-	-	-	-	-	-	22	-	-	-
Public Safety	19	16	12	9	12	14	63	8	1	40
Legislative	23	15	14	-	-	-	-	-	-	-
Land purchase		-	-	-	-	-	-	-	-	1
Other	116	317	193	26	41	75	229	4	2	253
Unassigned	4,091	3,486	3,967	3,997	3,635	4,672	3,505	2,922	2,415	2,008
Total general fund	<u>\$ 8,552</u>	<u>\$ 7,281</u>	<u>\$ 7,288</u>	<u>\$ 7,595</u>	<u>\$ 6,893</u>	<u>\$ 7,600</u>	<u>\$ 6,724</u>	<u>\$ 5,946</u>	<u>\$ 5,260</u>	<u>\$ 4,903</u>

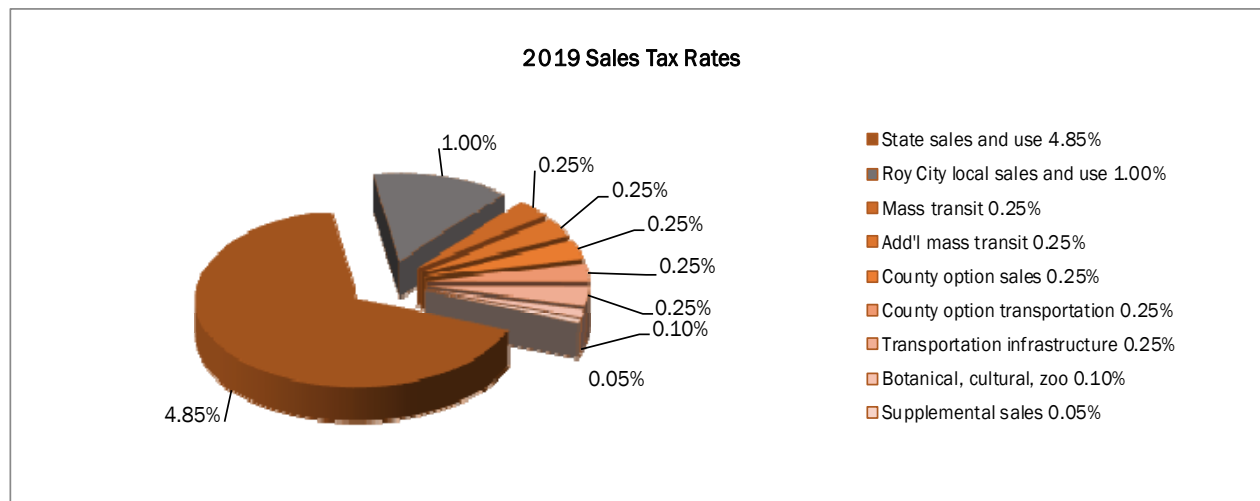
ROY CITY CORPORATION
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 2 of 2

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Other governmental funds										
Non-spendable:										
Inventory		\$ -	\$ -	\$ -	\$ -	\$ 494	\$ 494	\$ 1,705	\$ 1,705	\$ 1,705
Investment in land	59	60	60	60	\$ 60					
Restricted for:										
Debt service		-	-	-	-	-	-	-	-	237
Assigned to:										
Public safety	697	699	530	259	73	73	24	111	77	44
Capital improvements	368	103	207	206	592	-	-	-	-	19
Storm sewer improvements	131	269	191	191	171	160	119	181	235	192
Park improvements	753	1,994	1,241	1,579	1,774	981	1,088	481	273	169
Cemetery perpetual	165	165	165	165	164	164	161	158	150	142
Redevelopment	1,975	1,834	1,697	1,513	1,712	1,933	1,868	1,021	869	535
Other	-	-	-	1	235	-	-	-	-	-
Total other governmental funds	4,148	5,124	4,091	3,974	4,781	3,805	3,754	3,657	3,309	3,043
Total governmental funds	\$ 12,700	\$ 12,405	\$ 11,379	\$ 11,569	\$ 11,674	\$ 11,405	\$ 10,478	\$ 9,603	\$ 8,569	\$ 7,946

ROY CITY CORPORATION
SALES TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Fiscal Year	State Sales & Use	Roy City Local	Mass Transit	Add'l Mass Transit	County Option Sales	County Option Transp'n	Transp'n Infra-structure	Botanical, Cultural & Zoo	Supp'l State Sales & Use	Total for Roy City Residents
2019	4.85%	1.00%	0.25%	0.25%	0.25%	0.25%	0.25%	0.10%	0.05%	7.25%
2018	4.70%	1.00%	0.25%	0.25%	0.25%	0.25%	0.25%	0.10%	0.05%	7.10%
2017	4.70%	1.00%	0.25%	0.25%	0.25%	0.25%	0.25%	0.10%	0.05%	7.10%
2016	4.70%	1.00%	0.25%	0.25%	0.25%	0.25%	0.00%	0.10%	0.05%	6.85%
2015	4.70%	1.00%	0.25%	0.25%	0.25%	0.25%	0.00%	0.10%	0.05%	6.85%
2014	4.70%	1.00%	0.25%	0.25%	0.25%	0.25%	0.00%	0.10%	0.05%	6.85%
2013	4.70%	1.00%	0.25%	0.25%	0.25%	0.25%	0.00%	0.10%	0.05%	6.85%
2012	4.70%	1.00%	0.25%	0.25%	0.25%	0.25%	0.00%	0.10%	0.05%	6.85%
2011	4.70%	1.00%	0.25%	0.25%	0.25%	0.25%	0.00%	0.10%	0.05%	6.85%
2010	4.70%	1.00%	0.25%	0.25%	0.25%	0.25%	0.00%	0.10%	0.05%	6.85%
2009	4.70%	1.00%	0.25%	0.25%	0.25%	0.25%	0.00%	0.10%	0.05%	6.85%



Note: Rates are given as of the second quarter of each year.
Source: Utah State Tax Commission - Sales Tax Division (web site)

ROY CITY CORPORATION
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Fiscal Year	Real Property		Personal Property		Centrally Assessed Property	Roy City	RDA	Total	Total	Estimated	Assessed
	Real		Mobile			Taxable	Tax	Taxable	Direct	Actual	Value as a
	Estate	Building	Homes	Other		Property	Value	Increment	Assessed	City	Market
									Tax Rate	Value	of Actual
											Value
2019	\$ 350,284	\$ 1,221,104	\$ 7,536	\$ 31,932	\$ 53,964	\$ 1,633,044	\$ 31,776	\$1,664,820	2.358	\$ 3,138,279	53.05%
2018	332,189	1,039,624	4,406	28,893	49,228	1,431,616	22,724	1,454,340	2.650	2,744,368	52.99%
2017	308,598	961,851	4,703	28,428	45,489	1,326,579	22,490	1,349,069	2.828	2,213,939	60.94%
2016	306,225	867,855	4,818	28,504	42,304	1,229,554	20,152	1,249,706	2.202	2,208,667	56.58%
2015	294,210	833,044	4,831	30,652	38,246	1,176,928	24,055	1,200,983	2.285	2,026,031	59.28%
2014	297,771	758,694	4,968	28,937	38,514	1,099,633	29,251	1,128,884	2.430	1,972,519	57.23%
2013	309,239	747,351	5,207	29,873	37,382	1,091,552	37,500	1,129,052	2.389	1,848,974	61.06%
2012	307,044	778,886	5,379	28,328	36,249	1,123,097	32,789	1,155,886	2.263	1,855,180	62.31%
2011	301,471	768,147	5,503	26,767	27,315	1,094,650	34,553	1,129,203	2.266	1,894,347	59.61%
2010	346,923	809,567	5,659	27,527	28,285	1,181,254	36,707	1,217,961	2.084	1,865,033	65.31%

Notes:

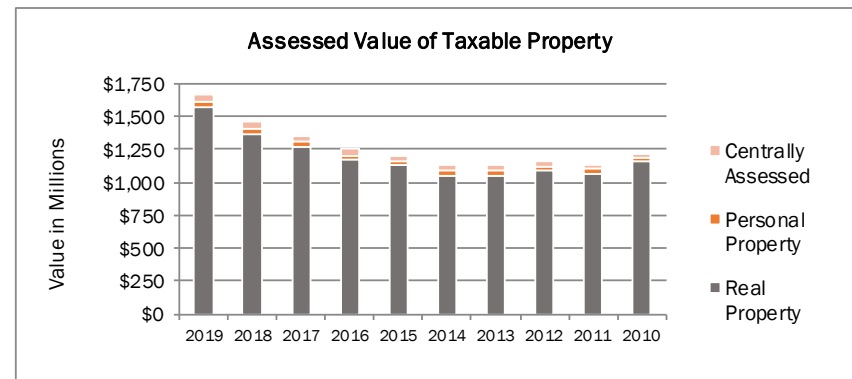
Taxable property value is based on the calendar year ending six months before the fiscal year ends.

Total property value is excluding fee-in-lieu.

Sources:

Weber County Auditor/Clerk, Assessor, and Treasurer Offices

State of Utah/Utah Certified Tax Rates



ROY CITY CORPORATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
Per \$1,000 Assessed Valuation

Fiscal Year	Roy City	Overlapping Rates							Total Direct Rate and Overlapping Rates
		Weber County	Weber School District	Weber Basin Water Conservancy	North Davis Sewer District	Mosquito Abatement District	Roy Water Conservancy Subdistrict	Weber Area Dispatch 911 & Emergency Svcs District	
2019	2.358	3.335	6.237	0.164	0.869	0.108	0.075	0.234	13.380
2018	2.650	3.670	6.298	0.174	0.949	0.119	0.084	0.257	14.201
2017	2.828	3.341	6.693	0.187	1.025	0.127	0.090	0.273	14.564
2016	2.202	3.543	6.643	0.196	1.025	0.134	0.097	0.288	14.128
2015	2.285	3.711	6.526	0.199	1.025	0.141	0.101	0.303	14.291
2014	2.430	3.718	6.920	0.210	1.025	0.146	0.108	0.310	14.867
2013	2.389	3.966	7.071	0.215	0.993	0.148	0.106	0.316	15.204
2012	2.263	3.916	6.833	0.217	0.928	0.141	0.101	0.301	14.700
2011	2.266	3.832	6.526	0.207	0.864	0.138	0.103	0.309	14.245
2010	2.084	3.560	5.721	0.188	0.763	0.128	0.095	0.286	12.825

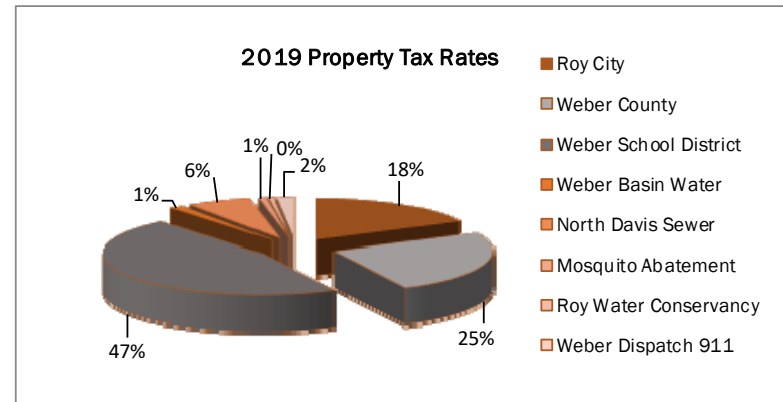
Notes:

Overlapping rates are those of local and county governments that apply to property owners within Roy City.

The total levy for Roy City residents does not include the Central Weber Sewer Improvement District or the Hooper Water Improvement District due to the small number of properties located within those districts.

Source:

Utah State Tax Commission - Property Tax Division Office and web site



ROY CITY CORPORATION
PRINCIPAL PROPERTY TAX PAYERS
Current Year
(Amounts Expressed in Thousands)

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For Discussion
Purposes Only

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
AMERICA FIRST FEDERAL CREDIT	\$ 26,448	1	1.59%	\$ 9,668	4	0.81%
PACIFICORP	24,198	2	1.45%	17,626	1	1.48%
QUESTAR GAS	15,466	3	0.93%	-		0.00%
ORCHARD COVE LTD	15,056	4	0.90%	10,416	2	0.87%
WINCO FOODS LLC	7,840	5	0.47%			0.00%
DAVIS HOSPITAL & MEDICAL CENTER	7,515	6	0.45%			0.00%
AA ALPINE STORAGE ROY LLC	6,640	7	0.40%			0.00%
ROY MARKETPLACE LC	6,466	8	0.39%	6,107	5	0.51%
UNION PACIFIC RAILROAD COMPANY	6,175	9	0.37%			0.00%
HARMON CITY INC	5,943	10	0.36%	5,485	7	0.46%
						0.00%
K B FAMILY ROY, LLC				4,508	10	0.38%
BOYER IOMEGA				10,101	3	0.85%
IBP FUNDING				5,091	8	0.43%
BOYDEN B REAZIER FAMILY TRUST				5,967	6	0.50%
COMCAST OF UTAH INC II				4,806	9	0.40%
Total taxable value of 10 largest taxpayers	121,747		7.31%	79,775		6.69%
Total taxable value of other taxpayers	1,543,073		92.70%	1,113,800		93.31%
Total taxable value of all taxpayers	\$ 1,664,820		100.00%	\$ 1,194,520		100.00%

Notes:

Information on the top tax payers is presented based on property tax because it is not available on sales tax.

Source:

Weber County Treasurer's Office

ROY CITY CORPORATION
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Tax Years
(Dollar Values Expressed in Thousands)

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Tax Year	Total Tax Levy	Current Tax Collections	Collected from Other Government Units	Percent of Levy Collected	Delinquent Tax Collections (a)	Total Tax Collections	Percent of Total Tax Collected to Total Levy (a)
General Fund							
2018	3,937	3,664	-	93.07%	51	3,715	94.36%
2017	3,860	3,589	-	92.98%	44	3,633	94.12%
2016	3,794	3,583	-	94.44%	67	3,650	96.20%
2015	2,755	2,546	-	92.41%	66	2,612	94.81%
2014	2,749	2,554	-	92.91%	83	2,637	95.93%
2013	2,671	2,513	-	94.08%	74	2,587	96.86%
2012	2,604	2,449	-	94.05%	62	2,511	96.43%
2011	2,542	2,399	-	94.37%	42	2,441	96.03%
2010	2,475	2,336	-	94.38%	61	2,397	96.85%
2009	2,462	2,336	-	94.88%	61	2,397	97.36%
Redevelopment Agency Special Revenue Fund							
2018	369	65	304	100.00%	-	369	100.00%
2017	329	49	267	96.05%	-	316	96.05%
2016	343	66	277	100.00%	-	343	100.00%
2015	316	49	267	100.00%	-	316	100.00%
2014	311	50	261	100.00%	-	311	100.00%
2013	436	72	364	100.00%	-	436	100.00%
2012	569	90	479	15.82%	-	90	15.82%
2011	481	150	331	31.19%	-	150	31.19%
2010	488	154	334	31.56%	-	154	31.56%
2009	473	152	321	32.14%	-	152	32.14%

Notes:

In FY 2014, RDA tax collections were separated between agency tax increment and tax contribution from other governmental units three active districts. Due to the availability of data, adjustments were made retroactive for those districts only.

Property taxes are collected and disbursed to entities by Weber County. The delinquent taxes remittance advice does not include information as to the particular year the tax covers. Delinquent collections cover previous tax year monies received in the current fiscal year. Because the collection cannot be broken down by year, the percentages of total tax collected is skewed.

Source:

Weber County Treasurer's Office

ROY CITY CORPORATION
PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
Last Ten Fiscal Years
(Dollar Values Expressed in Thousands)

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Year	Real Property Taxable Value				Residential Construction		Commercial Construction		Other Construction		Bank Deposits
	Commercial	Residential	Other	Total	Units	Value	Units	Value	Units	Value	
2019	\$ 239,087	\$ 1,331,478	\$ 823	\$ 1,571,388	192	\$ 13,267,035	26	\$ 3,193,469	398	\$ 3,064,515	\$ 19,363
2018	222,816	1,148,337	659	\$ 1,371,812	95	4,174,971	29	3,404,594	442	3,864,945	18,050
2017	212,387	1,057,391	672	1,270,450	241	14,363,697	22	4,778,201	474	4,501,900	19,302
2016	205,079	968,438	563	1,174,080	74	3,885,374	28	2,944,429	290	1,840,226	17,700
2015	201,671	924,999	584	1,127,254	81	3,273,450	27	16,611,350	288	1,113,649	17,516
2014	194,923	861,171	371	1,056,465	97	5,478,286	22	3,531,856	272	1,040,310	14,936
2013	191,895	864,341	353	1,056,589	95	6,724,364	30	6,064,301	183	800,626	15,995
2012	195,103	890,294	533	1,085,930	125	8,160,255	30	3,476,815	243	749,870	12,590
2011	185,033	883,937	647	1,069,617	118	6,870,422	23	2,586,374	231	863,769	11,015
2010	183,183	972,791	517	1,156,491	111	5,371	13	8,693	212	3,837	11,071

Notes:

Taxable property value, construction units and construction values are based on the calendar year ending six months before the fiscal year ends.

Sources:

Weber County Auditor/Clerk's Office
Weber County Treasurer's Office
Roy City Community Development Department

ROY CITY CORPORATION
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

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Fiscal Year	Population	Personal Income	Governmental Activities				Business-Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
			General Obligation Bonds	Sales Tax Revenue Bonds	Capital Lease	Notes Payable	Water Revenue Bonds			
2019	39,519	\$1,027,290,999	\$ -	\$ -	\$ -	\$ -	\$ 4,213,000	\$ 4,213,000	0.41%	\$ 106.61
2018	38,812	1,023,810,045	-	-	-	-	4,599,000	4,599,000	0.45%	118.49
2017	38,201	1,020,340,886	-	117,000	-	-	4,931,711	5,048,711	0.49%	132.16
2016	37,964	977,214,412	-	232,000	-	-	5,281,998	5,513,998	0.56%	145.24
2015	37,877	972,952,878	-	345,000	-	-	5,622,303	5,967,303	0.61%	157.54
2014	37,733	968,999,361	-	456,000	-	-	5,947,626	6,403,626	0.66%	169.71
2013	37,604	966,968,727	-	565,000	-	-	6,331,453	6,896,453	0.71%	183.40
2012	37,395	964,076,497	-	674,000	150,600	-	6,627,201	7,451,801	0.77%	199.27
2011	36,884	960,235,555	-	740,000	295,651	-	6,925,296	7,960,947	0.83%	215.84
2010	36,260	957,363,464	237,000	830,000	435,357	-	7,200,294	8,702,651	0.91%	240.01

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Demographic and Economic Statistics for personal income and population data.

ROY CITY CORPORATION
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

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Fiscal Year	General Obligation Bonds	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt per Capita
2019	\$ -	\$ -	\$ -	0.00%	-
2018	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2010	237,000	-	237,000	0.01%	6.64

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Demographic and Economic Statistics for population data.

See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

Sources:

U S Census Bureau

Weber County Auditor/Clerk's Office

ROY CITY CORPORATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2019

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Governmental Unit	General Bonded Debt Outstanding	Estimated Percentage Applicable to Roy City	Estimated Share of Overlapping Debt
North Davis County Sewer District	\$ 17,115,000	13.62%	\$ 2,331,063
Roy Water Conservancy Subdistrict	514,000	100.00%	514,000
State of Utah	2,498,192,000	0.53%	13,240,418
Weber Basin Water Conservancy District	11,650,000	2.46%	286,590
Weber County	43,725,000	10.38%	4,538,655
Weber County School District	158,720,000	14.75%	23,411,200
Overlapping debt			\$ 44,321,926
Roy City bonded debt		100.00%	-
Total direct and overlapping general bonded obligation debt			<u>\$ 44,321,926</u>

Note:

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by taking Roy City's taxable property value and dividing by the governmental unit's taxable property value.

Sources:

Individual governmental units

ROY CITY CORPORATION
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

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	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt Limit	\$ 62,856	\$ 54,873	\$ 53,063	\$ 49,182	\$ 47,077	\$ 43,985	\$ 43,662	\$ 44,924	\$ 43,786	\$ 47,250
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 62,856</u>	<u>\$ 54,873</u>	<u>\$ 53,063</u>	<u>\$ 49,182</u>	<u>\$ 47,077</u>	<u>\$ 43,985</u>	<u>\$ 43,662</u>	<u>\$ 44,924</u>	<u>\$ 43,786</u>	<u>\$ 47,250</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total assessed value										<u>\$ 1,571,388</u>
Debt limit (4% of total assessed value)										\$ 62,856
Debt applicable to limit:										
Total bonded debt								\$ 4,213		
Less:										
Revenue bonds								(4,213)		
Other deductions allowed by law								-		
Total net debt applicable to limit										-
Legal debt margin										<u>\$ 62,856</u>

Note: Does not include values for the Redevelopment Agency Special Revenue Fund.

**ROY CITY CORPORATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

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Year	Population	Personal Income	Per Capita	Unemployment Rate
			Personal Income	
2019	39,519	\$1,027,290,999	\$ 25,995	3.5%
2018	38,812	1,023,810,045	26,379	3.7%
2017	38,201	1,020,340,886	26,710	3.9%
2016	37,964	977,214,412	25,741	4.0%
2015	37,877	972,952,879	25,687	4.3%
2014	37,733	968,999,361	25,680	5.2%
2013	37,604	966,968,727	25,715	6.6%
2012	37,395	964,076,497	25,781	7.8%
2011	36,884	960,235,555	26,034	8.6%
2010	36,260	957,363,465	26,403	7.6%

Notes:

Figures for 2008-2010 are from the 2000 U S Census. Subsequent years are from the 2010 U S Census.

Population figures from 2008-2010 are estimates as of July 1 of the previous year based on the U S Census' population estimates.

Personal income figures are estimates based on annual growth rates for the State of Utah.

Unemployment figures are rates for Weber County. Information on a city level is not available.

Sources:

U S Census Bureau

State of Utah Governor's Office web sites

Utah Department of Workforce Services

**ROY CITY CORPORATION
PRINCIPAL EMPLOYERS
Current Year and Ten Years Ago**

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Employer	Fiscal Year					
	2019			2009		
	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Hill Air Force Base	10,000 - 14,999	1	11.8%	10,000-14,999	1	11.4%
Internal Revenue Service	4,000 - 4,999	2	4.3%	5,000 - 6,999	2	5.5%
Weber School District	3,000 - 3,999	3	3.3%	3,000 - 3,999	4	3.2%
McKay-Dee Hospital	3,000 - 3,999	4	3.3%	3,000 - 3,999	3	3.2%
Weber State University	3,000 - 3,999	5	3.3%	2,000 - 2,999	6	2.3%
Autoliv ASP	2,000 - 2,999	6	2.4%	2,000 - 2,999	5	2.3%
Fresenius USA, Inc.	1,000 - 1,999	7	1.4%	1,000 - 1,999	8	1.4%
State of Utah	1,000 - 1,999	8	1.4%	1,000 - 1,999	10	1.4%
America First Credit Union	1,000 - 1,999	9	1.4%	-	-	-
Ogden School District	1,000 - 1,999	10	1.4%	1,000 - 1,999	9	1.4%
Convergys				1,000 - 1,999	7	1.4%
Total	<u>29,000 - 42,990</u>		<u>34.0%</u>	<u>29,000 - 43,990</u>		<u>33.5%</u>

Note:

The Utah Department of Workforce Services provides employment information on a county basis. Roy City is the second largest city in Weber County.

Hill Air Force Base is considered to be in Davis County, which is contiguous to Weber County.

Actual employment numbers are not available to calculate the percentage of total employment by employer.

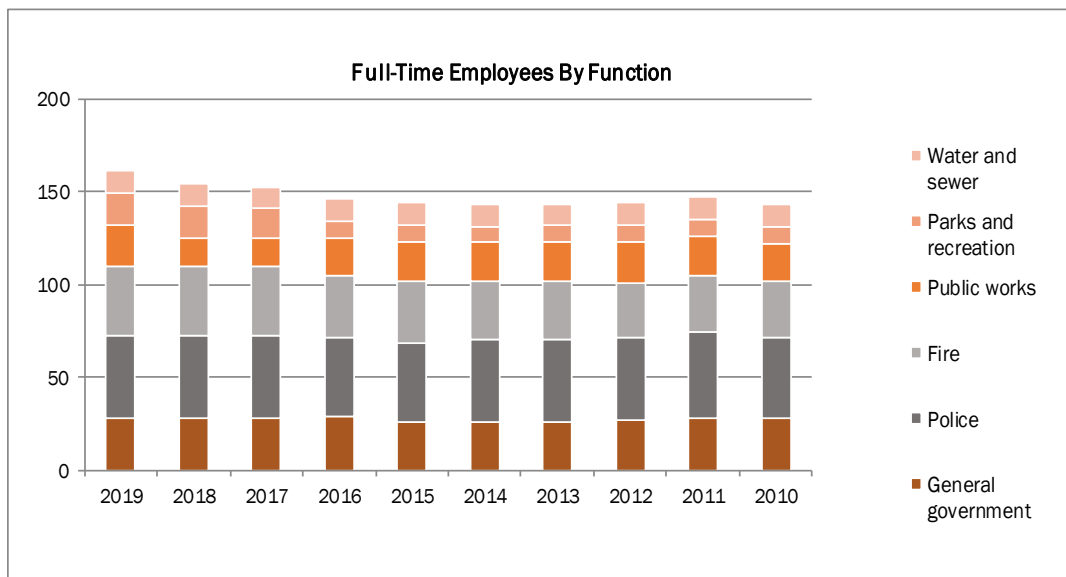
Sources:

Weber County Comprehensive Annual Financial Report 2017

ROY CITY CORPORATION
FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

DRAFT -
For Discussion
Purposes Only

Function	Full-time Employees as of June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government	28	28	28	29	26	26	26	27	28	28
Public safety										
Police										
Officers	39	39	39	39	38	40	40	40	42	39
Civilians	6	6	6	4	5	5	5	5	5	5
Fire										
Firefighters and officers	36	36	36	32	32	30	30	28	29	29
Civilians	1	1	1	1	1	1	1	1	1	1
Public works	22	15	15	20	21	21	21	22	21	20
Parks and recreation	17	17	16	9	9	8	9	9	9	9
Water and sewer	12	12	11	12	12	12	11	12	12	12
Total	161	154	152	146	144	143	143	144	147	143



Notes:

In 2017, staffing was reclassified between public works and parks and recreation to better reflect actual duties.

In 2016, two employees were reclassified from public works to general government.

ROY CITY CORPORATION
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

DRAFT -
For Discussion
Purposes Only

Function	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Court filings										
Moving violations	3126	4,757	4,016	3,596	3,805	3,459	4,663	4,623	4,086	1,864
Non-moving violations	1955	2,309	3,164	2,946	2,719	2,226	3,098	2,870	3,917	3,539
DUI violations	110	126	192	151	164	171	179	132	106	85
Parking violations	356	330	464	189	114	546	435	598	691	272
Fire										
Fire calls dispatched	524	504	1,249	1,187	1,196	1,063	641	955	701	612
Medical calls dispatched	4879	4,793	4,092	3,963	4,283	3,850	4,283	3,702	3,923	4,196
	5403	5,297	5,341	5,150	5,479	4,913	4,924	4,657	4,624	4,808
Streets										
Snow removal and sanding:										
Miles	8,595	10,024	22,004	13,390	2,373	7,720	13,802	3,987	9,925	8,504
Hours	825	1,231	2,156	1,742	314	886	1,543	506	904	935
Asphalt resurfacing (tons)	1,642	983	1,251	1,598	1,793	857	660	581	747	939
Water										
Service connections	10,823	11,035	10,852	10,786	10,754	10,718	10,698	10,657	10,610	10,565
Water main breaks	14	24	15	15	16	23	25	16	28	23
Avg daily consumption										
in gallons	2,729,008	2,713,054	2,632,164	2,768,581	2,578,359	2,826,756	2,885,636	2,737,570	2,851,236	2,834,907
Aquatic Center										
Admissions	101,891	111,153	111,066	100,408	97,127	100,023	118,475	120,702	119,648	113,607
Complex										
Admissions	99,959	17,431	17,317	16,325	16,859	20,575	25,070	32,384	37,665	37,727

Sources:
Various City departmental data

ROY CITY CORPORATION
CAPITAL STATISTICS BY FUNCTION
Last Ten Fiscal Years

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For Discussion
Purposes Only

Function	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	24	24	24	22	22	24	24	24	20	22
Motorcycle units	0	0	0	0	0	0	2	2	2	2
Animal control units	2	2	2	2	2	2	2	2	2	2
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Streets (miles/units)										
Streets	117.9	115.1	115.1	115.1	114.8	114.8	114.2	114.2	114.2	114.0
Curb and gutter	208.4	208.4	208.0	208.0	207.4	207.4	207.4	207.4	207.4	207.0
Sidewalk	197.4	197.4	197.0	197.0	196.4	196.4	196.4	196.4	196.4	196.0
Streetlights	983	983	973	860	855	849	817	812	806	806
Traffic signals	3	3	3	3	3	3	2	2	2	2
Parks and recreation										
Community centers	1	1	1	1	1	1	1	1	1	1
Parks	10	10	10	10	10	10	10	10	10	10
Park acreage	123	120	120	113	113	113	113	113	113	113
Covered picnic areas	17	17	17	18	18	18	18	18	18	18
Baseball diamonds	14	14	14	13	13	13	13	13	13	13
Soccer fields	17	17	17	17	17	17	17	17	13	13
Tennis courts	2	2	2	3	3	3	3	3	3	3
Pickleball courts	1	1	1	0	0	0	0	0	0	0
Swimming pools	2	2	2	2	2	2	2	2	2	2
Gymnasiums	2	2	2	2	2	2	2	2	2	2
Sewer (miles)										
Sanitary sewers	114.8	114.8	114.6	114.6	114.2	114.0	116.9	116.9	116.9	117.0
Storm sewers	83.8	83.8	83.7	83.7	83.2	83.0	83.0	83.0	83.0	83.0
Water (miles/units)										
Water lines	157.1	156.9	156.9	156.9	156.5	156.4	153.4	153.4	153.4	153.0
Fire hydrants	1,390	1,390	1,390	1,390	1,390	1,381	1,363	1,363	1,358	1,345

Sources:

Various City departmental data

DRAFT -
For Discussion
Purposes Only

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and City Council
Roy City Corporation, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Roy City Corporation, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Roy City Corporation's basic financial statements, and have issued our report thereon dated November 13, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Roy City Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Roy City Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Roy City Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Roy City Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ogden, Utah
November 13, 2019

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE*

Honorable Mayor and City Council
Roy City Corporation, Utah

Report on Compliance

We have audited Roy City Corporation's compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor that could have a direct and material effect on Roy City Corporation for the year ended June 30, 2019.

State compliance requirements were tested for the year ended June 30, 2019 in the following areas:

Budgetary Compliance	Open and Public Meetings Act
Fund Balance	Public Treasurer's Bond
Justice Courts	Tax Levy Revenue Recognition
Utah Retirement Systems	
Restricted Taxes and Related Revenues	
Enterprise Fund Transfers, Reimbursements, Loans, and Services	

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on Roy City Corporation's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on Roy City Corporation occurred. An audit includes examining, on a test basis, evidence about Roy City Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of Roy City Corporation's compliance with those requirements.

Opinion on Compliance

In our opinion, Roy City Corporation complied, in all material respects, with the general compliance requirements referred to above for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of Roy City Corporation is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered Roy City Corporation's internal control over compliance with the state compliance requirements referred to above to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of Roy City Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect, and correct, noncompliance with a general state compliance requirement on a timely basis. *A material weaknesses in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies. We did not identify and deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However material weaknesses may exist that may not been identified.

Purpose of Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly this report is not suitable for any other purpose.

Ogden, Utah
November 13, 2019

ROY CITY CORPORATION
Schedule of Findings and Recommendations
June 30, 2019

DRAFT -
For Discussion
Purposes Only

There were no findings to report for the year ended June 30, 2019

2018-01 STATE COMPLIANCE REGARDING CITY COUNCIL MINUTES

CONDITION: Minutes of public meeting were not posted to the Utah State Public Notice website as required.

CRITERIA: Utah Code Section 52-4-203 requires that minutes from a public meeting, i.e. the City Council meetings, are posted to the Utah State Public Notice website within 3 days of the minutes being approved..

CAUSE OF CONDITION: The minutes were posted to the City's website but there was an oversight with regards to posting to the State website.

POTENTIAL EFFECT OF CONDITION: Noncompliance with Utah State legislative requirements. Also, the public may not have timely record of action taken by the City Council.

RECOMMENDATION: The minutes of all public meetings of the City should be posted to the Utah State Public Notice website. The City should adopt procedures to ensure the minutes are posted in a timely manner.

STATUS: The City has implemented procedures to address this finding.

Resolution No. 19-29
A RESOLUTION OF THE ROY CITY COUNCIL HONORING THE ROY CITY
JR. PEEWEE BLACK FOOTBALL TEAM FOR THEIR 2019 FOOTBALL
ACHIEVEMENTS

WHEREAS, the Jr Peewee Black football team is comprised of fourth and fifth graders from Roy City;

WHEREAS, the team went 11-0 in the 2019 season; and

WHEREAS, in seven games the team scored more than 200 points; and

WHEREAS, on Saturday, October 26th the Roy City Jr Peewee Black Football team won the Mini Bowl Championship by a score of 21-7; and

WHEREAS, the team's incredible success is a reflection of the coaching staff and their dedication; and

WHEREAS, the team consisted of:

Spenser Thomas, Tyler Allen, Jace Barela, Hudson Call, Andrew Charlesworth, Raidyn Clippinger, Tyler Dickson, Ryder Evans, Cooper Horspool, Cameron Lindstrom, Bode Sparrow, Kade Stander, Braylon Twitchell, Xander Wilberg, Coleson Wright, Allan Bravo, Julian Vazquez, Conner Young

Coaching Staff:

James Dickson, Joe Barela, Nick Call, Kyle Horspool, Jeremy Wright, Ty Sparrow

NOW, THEREFORE, be it resolved that the Roy City Council congratulates the Roy City Jr Peewee Black Football Team for their tremendous championship football season and for the honor and acclaim brought to themselves, their team and Roy City.

Dated this 19th day of November, 2019

Mayor – Robert Dandoy

Attest:

Recorder – Morgan Langholf

Voting:

	Aye	Nay	Absent	Excused
Councilmember Jan Burrell	_____	_____	_____	_____
Councilmember Bryon Saxton	_____	_____	_____	_____
Councilmember Joe Paul	_____	_____	_____	_____
Councilmember Dave Tafoya	_____	_____	_____	_____
Councilmember Karlene Yeoman	_____	_____	_____	_____

Resolution No. 19-28
A RESOLUTION OF THE ROY CITY COUNCIL AMENDING THE ROY CITY
PERSONNEL POLICY AND PROCEDURES MANUAL

WHEREAS, the Roy City Council has adopted a Personnel Policies and Procedures Manual that sets forth policies pertaining to personnel conduct, conditions of employment, employee classification, benefits, payroll, discipline and other related employment matters; and

WHEREAS, the Roy City Administration, from time to time reviews and updates the Personnel Policies and Procedures Manual to ensure compliance with any recent changes in federal and state law or changes in general city policy in order to provide a quality working environment for City employees; and

WHEREAS, the Roy City Administration has reviewed and recommends adoption of the revisions and updates that are attached hereto; and

WHEREAS, the Roy City Council has reviewed the proposed amendments to the Personnel Policy Manual and has determined that the amendments are in the best interest of the employees of Roy City.

NOW THEREFORE BE IT RESOLVED by the City Council of Roy City, that the amended Roy City Personnel Policy and Procedures Manual be amended with the following additions, deletions, or amendments:

Amend the firefighter shifts from 24 hours to 48 hours throughout the Personnel Policy to reflect a prior operational change.

Amend the title of the Parks & Recreation Director to be consistent throughout the Personnel Policy.

Amend the language throughout the Personnel Policy to reflect the separation of responsibilities between Human Resources and Risk Management and to update insurance policy information and local medical facilities.

Amend the Personnel Policy to remove any references to gender.

Amend language throughout the Personnel Policy to reflect online enrollment for benefits and online job postings.

Amend Section 1101 * HIRING PRACTICES to refer to the U.S. Department of Labor Standards for hiring of minors as follows:

Section 1101 * HIRING PRACTICES
Hiring of Minors

The U. S. Department of Labor Standards outlines what duties minors can perform under Youth Labor Laws.

On the use of machinery such as lawn mowers and weed eaters, the Department of Labor has indicated these were not prohibited.

Amend Section 1202 * LEAVE to remove the 0-1 years of service leave accrual rate for regular employee and firefighters, clarifying the date of hire will be used for forfeited leave, allowing a cash payout option for the unused sick leave incentive, and removing references to an old prepaid legal services benefit as follows:

Section 1202 * LEAVE

Annual Leave Accrual (Employees working 40 hours per week)

Regular full-time employees working 40 hour weeks, accrue annual leave with pay, on the basis of an eight hour day, five day week or 173 hour month, at the following rates, depending upon years of service. An employee may use annual leave as it accrues with permission from the employee's supervisor.

(Full-Time Employees)	Accrual Rate* (Hours/Pay)	Days Earned Per Year
0 - 9	4.31 Hours	14 days
9 - over	6.46 Hours	21 days

(*Based on 26 pay periods per year. For years with 27 pay periods, the accrual rate will remain unchanged.)

Exempt supervisory employees and City Council appointed employees will accrue leave annually on January 1st.

Each year all leave in excess of 408 hours, not used as of the end of the pay period including the employee's hire date, will be forfeited unless otherwise extended by the City Manager. The deduction will occur in the pay period following the hire date pay period. Generally, the hire date will be the date of full-time hire by Roy City; not the date for merit increase. It should be noted that the full-time hire date for the City will not always be the department hire date.

Annual Leave Accrual for Firefighters (48 hour shifts)

The basis for annual leave accrual for firefighters working 48 hour shifts shall be consistent with how accruals occur for other City employees and is determined by comparing the total number of hours scheduled in a year for a firefighter to that of a regular 40 hour per week

employee. Firefighters are scheduled to work 2,880 hours, while regular employees are scheduled for 2,080 hours.

Each regular full-time firefighter working 48 hour shifts, who has been in the City service for a continuous period of one month, accrues annual leave, on 26 pay periods according to the schedule below:

(Full-Time Firefighters) Years in Service	Accrual Rate of Annual Leave per Pay Period	24 Hour Days of Annual Leave Earned Per Year	Accrual Rate of Annual and Holiday (5.54) Hours per Pay Period	24 Hour Days of Annual and Holiday Earned Per Year
0 - 9	6.46 hours	7 days	12.00 hours	13 days
9 - over	9.69 hours	10.5 days	15.23 hours	16.5 days

(*Based on 26 pay periods per year. For years with 27 pay periods, the accrual rate will remain unchanged.)

Accumulated earned annual leave time is paid for by the fire department when an employee is being separated from City service.

All leave in excess of 612 hours as of date of hire will be forfeited. Each year any forfeiture of excess annual leave hours will occur at the end of the next work period following the anniversary date.

Unused Sick Leave Incentive

As an incentive to increase productivity of employees and encourage longevity within the City, once an employee has accrued the minimum hours of sick leave (240 for regular employees and 375 for firefighters) and at the employee's option, one-third (1/3) of all sick leave accrued between the first pay period ending in December of the preceding year and the last pay period ending in November of the current year, may be converted to annual leave, the cash value of the conversion may be paid to the employee, or the cash value of the conversion may be contributed to a City sponsored retirement account; subject to plan limitations. Cash value will be determined by the number of hours multiplied by the employee hourly wage, less applicable taxes. However, any sick leave used during the year will be deducted from that one-third (1/3). For example, if an employee uses one day of sick leave during the calendar year, the maximum number of days that may be converted to their retirement account is three days, with the remaining eight days accrued to the employees sick leave balance. Employees desiring to convert

unused sick leave to annual leave or to their retirement account shall notify the Management Services Department on the appropriate form (See Forms - Sick Leave Incentive) prior to the deadline given each year. Conversion will be made prior to the end of the year.

Sick Leave Pay-out at Resignation, Separation or Retirement

Employees who resign their employment or separate under favorable circumstances shall be paid for any unused sick leave on the next regular scheduled payroll following separation, as follows:

Balance of Accrued Sick Leave	Available for Payout	Example
1a. 280 or Less	None	
1b. Firefighters 437 hours or Less	None	
2a. 281-360	15%	300 hours of accumulated sick leave will convert to 45 hours of pay off at the employee's current hourly wage at time of separation.
2b. Firefighters 438 - 563	15%	450 hours of accumulated sick leave will convert to 67 hours of pay off at the employee's current hourly wage at time of separation.
3a. 361- 960	25%	500 hours of accumulated sick leave will convert to 125 hours of pay off at the employee's current hourly wage at time of separation.
3b. Firefighters 564- 1500	25%	750 hours of accumulated sick leave will convert to 187 hours of pay off at the employee's current hourly wage at time of separation.
4a. 961 or Greater	33.3%	1000 hours of accumulated sick leave will convert to 333 hours of pay off at the employee's current hourly wage at time of separation.

4b. Firefighters 1501 hours or Greater	33.3%	2000 hours of accumulated sick leave will convert to 666 hours of pay off at the employee's current hourly wage at time of separation.
--	-------	--

Employees retiring under a City sponsored retirement program or in the event of an employee's death, will be compensated at a conversion rate of 33.3% of sick leave accumulated, regardless of the amount of sick leave accrued at time of retirement.

Firefighter figures are based on the fact that a firefighter earns 12.5 hours of sick leave each month instead of the 8 hours that are earned by other City employees.

Employees terminated for cause shall not receive a sick leave pay out.

Amend Section 1206 * UNIFORM ALLOWANCE paragraph 6 to reflect the Police Department Uniform Allowance process as follows:

Due to the high cost of police uniforms and related equipment, newly hired police officers are eligible to receive one-half of the annual police uniform allowance upon hire. The remaining half of the annual uniform allowance will be pro-rated based upon the officer's hire date. (Example: A police officer hired in March would receive a full semi-annual police uniform allowance (6/6ths) upon hire. On the second pay day in July, the officer is eligible for a pro-rated portion of the second half of the police uniform allowance based upon the actual number of months employed by the Police Department. In this case, the officer would receive 4/6ths of the second half of the uniform allowance.) The Police Department pays for uniforms directly and tracks the expenses by employee to ensure each employee does not go over their allocated uniform amount.

Deleting Section 1212 * EMPLOYEE COMMITTEE.

Adding Section 1214 * FRINGE BENEFITS as follows:

Section 1214 * FRINGE BENEFITS

Fringe Benefits are a form of pay (including property, services, or cash equivalent) in addition to salary for the performance of services.

Non-Taxable Fringe Benefits

De minimis fringe benefits include property or services provided to an employee infrequently and has a value so small that accounting for it is administratively impractical or unreasonable. Examples include occasional group meals, employee parties, or occasional personal use of the City's computer or copy machine, etc.

Taxable Fringe Benefits

Any prizes or awards from the City to an employee in recognition of an achievement in connection with employment must be included in the employee's wages/salary. Cash or gift cards are always taxable regardless of the amount and must be included in an

employee's taxable income. The value of the amount of cash or gift certificate is readily apparent and easy to track.

Taxable fringe benefits must be reported to the Management Services Department. The Management Services Department can help with any questions or reporting procedures.

Amend Section 1301 * COMPENSATION AND OVERTIME, Merit Pay Adjustments to clarify merit pay adjustments may occur on the employee's full time hire/promotion date and when a partial bonus may be given as follows:

Recommendation for a merit pay adjustment shall be made at the time of the employee's Annual Performance Evaluation which occurs on the employee's full time hire/promotion date. It shall be based upon weighted performance factors to include job knowledge, attitude/cooperation, work habits, safety and risk management, goals and supervisory ability, as the above factors are applicable, and general overall job performance.

In making the recommendation for a merit increase, the Department Director along with the employee's supervisor shall consider compliance with City policies and procedures, performance, level of competency and job knowledge. A merit increase will be allowed up to the maximum set by the City Council and is subject to annual budget appropriation. During the annual budget process, and at the discretion of the City Council, the implementation date of a merit pay adjustment may be altered. Alteration of the implementation date does not eliminate the eligibility criteria, and requires the employee to be at a passing level of performance and competency when the merit is put into effect. Employees not meeting a passing level of competency will be subject to the re-evaluation procedures stated in Policy 1701 * Performance Evaluations. An employee must be employed on June 30th to be eligible for the merit pay increase in the subsequent fiscal year.

Salaries shall not be increased beyond the established salary range for the position. In some cases, employees may be so near the top of the salary range that they are unable to receive all of the recommended merit percentage increase before they reach the maximum. In those cases, employees will receive a partial bonus if the merit is less than the bonus, not to exceed the merit amount.

Amend Section 1301 * COMPENSATION AND OVERTIME, Pay Checks, Personnel Action Form, and Timesheet – Recording Work Time to clarify when checks will be issued on a holiday, deleting the need for Directors to pick up pay stubs, giving more time for Management Services to process Personnel Action Forms, and clarification that non-exempt employees are required to complete time sheets as follows:

Pay Checks

Roy City pays on a bi-weekly schedule (26 paydays per year). Pay checks are issued every other Friday through direct deposit. The employee will receive a paper or electronically distributed pay stub showing gross pay, withholding, and net pay. When a payday falls on a holiday, checks will be issued the work day before the holiday. If the holiday falls on the

Thursday before payday, checks will be issued the banking day after the holiday. Clothing allowance checks will be issued separately on the first full payday of January and July. Issuance of pay checks prior to the days stated above shall be made only in emergency circumstances and only upon the approval of the Department Director. (Employee vacations are not considered emergency circumstances.) The Department Director can arrange for early issuance of an employee's check by notifying the Finance Clerk by the end of the pay period and at least two work days prior to the date the check is needed.

Most payroll deductions will only be withheld from the first two paychecks of the month. When three paydays fall within one month, there will be no deduction for health, and life insurance, automobile insurance, or other predetermined amounts on the third pay check.

Personnel Action Form

All personnel action forms and performance evaluations which are to take effect for the pay period shall be submitted to the City Manager by 11:00 a.m. on the Wednesday before the end of the pay period. The Management Services Department must have the personnel action form by the Thursday before the end of the pay period. Personnel action forms received after this time will be included in the following pay period with the appropriate back pay calculations.

Time Sheets - Recording Work Time

Time sheets are to be completed by each non-exempt City employee, reviewed by their supervisor; and signed by the Department Director. Time sheets must be a true and accurate reflection of actual time worked and leave balances used. Departmental time summaries shall be turned in to the Finance Clerk by 1:00 p.m. on the Monday following the conclusion of the pay period. If Monday is a holiday, time sheets shall be turned in by 10:00 a.m. on Tuesday. Time sheets turned in after this deadline or not completed correctly may result in a delayed paycheck.

Work time shall be recorded in quarter hour increments. Time worked shall be rounded up to the next quarter hour after 8 minutes have been worked in that quarter hour.

Amend Section 1302 * PART-TIME EMPLOYEE COMPENSATION AND EVALUATIONS to base annual evaluations on performance and to give Department Directors more discretion over part-time hiring rates and seasonal employee merit increases as follows:

1302 * PART-TIME EMPLOYEE COMPENSATION AND EVALUATIONS Part-Time Employee Compensation

Regular part-time positions will be assigned an hourly wage range which may be adjusted from time-to-time based upon changes to the minimum wage or job requirements. Employees hired in to part-time positions will start at the beginning of the range for those positions. At the initial point of hiring, a Department Director may depart from the base

pay rate up to a maximum of the range. This may be done by submitting a written summary to the City Manager of the employee's qualification that places the employee above entry level status. The City Manager shall review the request and respond back to the Department Director with approval or denial of the request. An offer of employment at a wage above entry level shall not be extended until formally approved by the City Manager.

Rehire

Employees returning for subsequent seasons are not eligible for the increase referred to in paragraph 1. These employees are covered under Merit Evaluations - Seasonal Positions below.

Cost of Living Adjustments

The hourly wage range for part-time employees will be adjusted for cost of living increases if approved by the City Council.

Annual Evaluations

On the anniversary of hire, a part-time employee who works continuously for the City shall receive a performance evaluation and may receive a merit increase, if funded by the City Council. (See Forms – Merit Calculation for Permanent Part-Time Employees.) An employee's annual performance evaluation shall be submitted to the Management Services Department upon completion, along with a completed Personnel Action Form.

Merit Evaluations

Seasonal positions: Employees who are re-hired in part-time seasonal positions, may receive a merit increase based on performance during the prior year. A merit increase is not guaranteed. If a merit increase is given, it shall be approved by the Department Director, not to exceed the range of the position. The merit increase shall be added to the employees ending wage from the prior year to arrive at a starting wage for the new season. An adjustment to the employee's ending wage may be needed for cost of living adjustments approved after the employee's seasonal termination.

Permanent positions: Permanent part-time employees shall receive an evaluation, annually on their hire date and may be awarded a merit pay adjustment at that time. If a merit increase is given, it shall be approved by the Department Director not to exceed the merit increase percentage a full time employee is eligible to receive.

Part-time employees may receive a maximum of one merit increase per year regardless of hours worked. Wage increases based on obtaining certifications will not change the merit date and a partial merit increase will not be calculated.

A merit increase for permanent and seasonal positions shall be based upon performance and job quality similar to a full-time employee. The merit pay adjustment is set by the City Council and is subject to annual budget appropriation. During the annual budget process,

and at the discretion of the City Council, the implementation date of a merit pay adjustment may be altered. Alteration of the implementation date does not eliminate the eligibility criteria, and requires the employee to be at a passing level of performance and competency when the merit is put in effect. Employees not meeting a passing level of competency will be subject to the re-evaluation procedures stated in Policy 1701 * Performance Evaluations. Permanent part-time employees must be employed on June 30th to be eligible for a merit pay increase in the subsequent year.

Amend Section 1402 * ELIGIBILITY FOR RECLASSIFICATION AND AUTOMATIC PROMOTIONS to remove narrative referencing a score of 3.5 or higher and replacing it with “passing evaluation”.

Amend Section 1402 * ELIGIBILITY FOR RECLASSIFICATION AND AUTOMATIC PROMOTIONS to add criteria for a Certification Bonus as follows:

Certification Bonus

The City encourages full-time employees to engage in opportunities to further their job knowledge directly related to their present work assignments. The City may provide a one-time certification bonus to full-time employees upon the completion of a certification and based upon the approval of the Department Director and the City Manager.

In order to be eligible for the certification bonus, the certification program must:

1. Be a work-related effort beyond standard job requirements;
2. Be relevant to your career field;
3. Provide training that will advance the objectives and improve operations of the City, department, or division;

To be eligible for the bonus, employees shall:

1. Receive approval by the Department Director and City Manager prior to beginning a certification;
2. Complete the certification requirements;
3. Provide proof of certification to the Department Director and City Manager.

The above policy does not apply to certifications or other educational classes the City requests an employee to attend as part of their ongoing job responsibilities.

Amend Section 1504 * USE OF CITY SUPPLIES, EQUIPMENT, PROPERTY OR PERSONNEL to include “Social Media” as part of Internet use and amend paragraph 4 as follows:

4. Unacceptable Internet Uses: It is unacceptable for any employee to use, download, submit, publish, display, or transmit any information via any City computer or network which:

- a. Violates or infringes on the rights of any other person, including the right to privacy;
- b. Contains defamatory, false, inaccurate, abusive, obscene, pornographic, profane, sexually oriented, and/or threatening language or images;
- c. Violates the City's sexual harassment policy;
- d. Restricts, inhibits, or disrupts other employees from using the system or the efficiency of the computer systems;
- e. Encourages the use of illegal or controlled substances;
- f. Violates any federal, state, or local statute or policy;
- g. Contains an offensive, harassing statement or statements which disparage others based on race, national origin, sex, sexual orientation, age, disability, or political or religious beliefs;
- h. Violates copyright laws;
- i. Is personal in nature and interferes with an employee's regular work, or is an application or service not authorized by an employee's supervisor, including, but not limited to, unauthorized use of Facebook, Twitter, blogs, video and audio streaming, and similar applications or services.
- j. Represents themselves publicly as a City representative regarding City issues unless designated and authorized to do so by the Department Director.

Amend Section 1507 * DRUG FREE WORKPLACE, Drug and Alcohol Testing, Paragraph 3 to reflect the change in property damage to be consistent with Utah State Law follows:

Post-Accident – Post-accident alcohol and/or illegal/illicit drug testing shall occur as soon as practicable and prior to 24 hours following a reportable accident (defined by Utah State law, 41-6a-402 or successor statutes); a work related vehicle accident with property damage to an apparent extent of \$1,500 or as stated in statute; or accidents causing injury or with possible liability for the City. The employee's supervisor shall notify the City Designated Agent as soon as possible after the accident to arrange for testing. If alcohol use is suspected, alcohol testing should be done within two (2) hours, but in no case after eight (8) hours. If an employee leaves the scene of an accident before the required test is administered, or fails to remain readily available for testing, it may be deemed by the City that the employee has refused to submit for testing.

Amend Section 1512 * WORKPLACE VIOLENCE PROTECTION, introductory paragraph as follows:

Roy City recognizes that a workplace safe from violence or the fear of violence is fundamental to the health and well-being of employees and visitors alike. The policy of Roy City is that its employees should work in environments free from physical attack, threats, and menacing or harassing behaviors. At Roy City, physical attacks, threats, harassment, and property damage are always prohibited. Firearms and knives, are prohibited in the workplace unless the employee has a valid permit issued or recognized by the State of Utah to carry a concealed weapon or as approved by the Department Director as necessary to function in the course and scope of employment. Explosives of any kind are prohibited in the workplace. It is prohibited to retaliate against an employee who reports or experiences workplace violence.

Amend Section 1514 * DRESS CODE to allow non-offensive tattoos and prohibit unprofessional and unsafe clothing as follows:

1514 * DRESS CODE

All City employees are expected to dress in a manner appropriate to maintain the integrity of the City. This policy broadly defines dress and grooming guidelines to promote a consistent, professional image. Individual departments may establish more restrictive guidelines to meet department or job specific needs. Employees should refer to the individual department policies, if available, for standards appropriate for their position.

Policy

Employees are expected to maintain a professional appearance and a high level of personal hygiene. Employees should avoid attire, hairstyles, jewelry or other personal accessories that interfere with job performance or safety, or attract undue attention.

- a. Employees must appear neat and clean and have no offensive odors. Hair must be clean and well groomed.
- b. Tattoos and body art are prohibited on the head, neck (anything visible above the open collar uniform), face, tongue, lips, and scalp. Hand tattoos are limited to one single-band ring tattoo, on one finger, on one hand. Cosmetic tattooing is permitted if done to apply permanent facial makeup (eyebrows, eye liner, etc.) and the cosmetic tattooing must have a natural appearance and be conservative, moderate, within reasonable limits, not excessive or extreme, and in good taste. While on-duty or representing the City in any official capacity, at no time shall any officer or employee have any offensive tattoo or body art visible, as determined by the Chief or Department Director. Covering offensive tattoos in order to meet the acceptable standard must be done using apparel approved by the department. Tattoos or body art including, but not limited to, the following are considered offensive and prohibited from being displayed at all times:
 1. Discriminative, degrading, or demeaning based on race, ethnicity, or national origin;
 2. Sexism, nudity, or sexually suggestive or explicit;

3. Obscenity or profane;
4. Gang or drug related;
5. Undermining City or department values;
6. Political in nature

c. Clothing must be clean and appropriate for the work performed.

Appropriateness may vary, depending upon the nature of work performed, safety concerns, and the degree of public contact. Employees must avoid clothing that is unprofessional, unsafe, unduly revealing, immodest, or otherwise inappropriate for a professional office setting or other work environment. Examples of unacceptable clothing include, but are not limited to:

1. Excessively short or tight clothing.
2. Pajama type clothing.
3. Exposed midriff tops.
4. Visible undergarments.
5. Spaghetti strap tops without a shirt or blouse underneath.
6. Tank tops, tube tops, halter tops, or muscle shirts; shirts with potentially offensive words/terms, logos, pictures, cartoons, or slogans.
7. Shorts (except when permitted by department policy).
8. Pants which are excessively baggy or hanging below the waist.
9. Strapless or backless dresses.
10. Flip flops or house slippers.

Employees failing to meet these guidelines may be asked to clock out and leave the workplace. Continued violations will result in disciplinary action up to and including termination.

Amend Section 1701 * PERFORMANCE EVALUATIONS to remove references to PEP software and prior scoring requirements as follows:

1701 * PERFORMANCE EVALUATIONS

The City uses a performance & goals based evaluation form to evaluate the employee's performance in their work assignment which serves as one basis of compensation. The City Manager may modify the performance evaluation process from time to time to insure valid and reliable evaluations. Annual performance evaluations shall be completed on all employees. Part-time employees are to be evaluated the same as full time employees.

Purpose & Objective

- Identifying employee's supervisory and leadership potential
- Improving work performance
- Identifying training needs
- Providing a check on proper placement
- Acting as a finger on the pulse of employee morale

- Helping to head off serious disciplinary problems
- Forcing the supervisor to seriously consider each employee in terms of his job performance
- Giving the supervisor a stronger role in personnel management
- Encouraging communication between employee and supervisor
- Letting employee know how well they are doing
- Improving morale by letting employee know where they stand
- Recognizing good work
- Serving as a warning to below standard employees
- Setting of goals for the employee to achieve during the evaluation period

Evaluation Procedure

Since the evaluation covers a certain period, specific examples should be cited to warrant a needs improvement rating in any area. Do not simply copy the position description.

Employees who are evaluated as being below the level of competency (needs improvement) will be re-evaluated within 90 days of the last evaluation. If there is improvement within the 90 days to merit a score of meets expectations, the supervisor may award the employee 50% of their applicable merit increase. Such a recommendation will need to be supported in writing by the Department Director. If approved for a partial increase, the employee will be eligible for their next merit consideration on their next anniversary date. The re-evaluation will have no effect on the employee's anniversary date, unless the employee is also placed on probation for disciplinary reasons. See Policy #1107 Probation.

For employees who receive an evaluation of needs improvement, the rater (supervisor) shall provide justifying remarks in the evaluator comments section. The supervisor shall obtain concurrence of the Department Director for the scores and comments.

Employees who receive a merit evaluation that meets expectations will be eligible for a merit raise consideration. A merit employee is eligible for a merit increase up to the salary range maximum.

First-line supervisors will evaluate their employees and then obtain Department Director concurrence.

Employee Self-Evaluation

Prior to the employee's evaluation date, the Human Resources Coordinator will send out evaluations electronically to the employee and their supervisor. Both the employee and supervisor will complete the evaluation. Upon completion by both parties, a performance evaluation interview between the supervisor and the employee will be set. The signed evaluation shall be attached to a Personnel Action Form and submitted to the Department Director for approval.

Department Director Evaluations

In evaluating exempt employees, every effort shall be made to be consistent with this section and other sections relating to exempt employee evaluations. Where Department Directors evaluate lower level supervisors, the City Manager shall certify concurrence or non-concurrence with the Department Director's evaluation.

Maintenance of Performance Evaluation Records

All performance evaluation records should be maintained by the Management Services Department. Departments may retain copies, but not originals. Records should be secure and guarded. Only those in chain of command or those who have a need to know should have access to the records.

Amend Section 1801 * CORRECTIVE AND DISCIPLINARY ACTION, section B, Incompetency, to reflect changes to performance evaluations as follows:

- b. Incompetency:
 - 1. "Needs Improvement" on performance evaluation.
 - 2. Failure to maintain a satisfactory physical record, in relation to the physical demands of the employee's current position.
 - 3. Failure to conduct oneself in a professional and competent manner appropriate to the position.

Amend Section 1802 * APPEALS/GRIEVANCE PROCEDURES, Appeals of Termination or Transfer to a Position of Less Remuneration, or Suspension For More Than Two Days, Right of Appeal as follows:

Right of Appeal

An employee who is discharged or transferred to a position with less remuneration, or suspended for more than two days, shall have the right to appeal in accordance with the following procedure. This right to appeal DOES NOT APPLY to the following:

- 1. An officer appointed by the Mayor or other person or body exercising executive power in the City;
- 2. Any employee with an exempt status or appointed to a statutory position, including City Treasurer and City Recorder;
- 3. A probationary employee;
- 4. A part-time employee;
- 5. A seasonal employee.

Passed this 19th day of November, 2019.

Robert Dandoy, Mayor

Attested and Recorded:

Morgan Langholf, City Recorder

City Council Members Voting “Aye”

City Council Members Voting “Nay”



PERSONNEL POLICY & PROCEDURE MANUAL

Roy City Corporation

This manual sets forth the policies and procedures for personnel administration, as well as conditions of employment for the City of Roy, Utah.

Revised 2019



ROY CITY
Personnel Policy and Procedure Manual
(November 2019 Revision)

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Mayor
Robert Dandoy

City Manager
Matthew D. Andrews



City Council
Jan Burrell
Bryon K. Saxton
David E. Tafoya
Karlene Yeoman
Joe Paul

November 20, 2019

Roy City Employees,

This is your updated copy of Roy City's personnel policies and procedures.

This manual sets forth City policies and procedures for personnel administration as well as conditions of employment with Roy City and the basis for compensation and benefits.

Please take the time to read and become familiar with this manual. If you have any questions or comments about the information contained herein, please feel free to discuss it with your Supervisor, Department Director, the City Attorney or me.

I appreciate the good work that you do for the citizens of Roy.

Sincerely,

Matthew D. Andrews
City Manager



EMPLOYEE ACKNOWLEDGMENT

I certify that on this date, I received a copy of the Roy City Personnel Policy Manual. I understand that this manual supersedes any and all prior written personnel policies or manuals issued by Roy City.

I understand that receipt of this manual constitutes a legal notification of the contents and that it is my responsibility to become familiar with and adhere to the policies and procedures that are stated within.

This Employment Manual is provided for general guidance only. The policies and procedures expressed in this Employment Manual, as well as those in any other personnel material, or other types of material which may be issued from time to time, do not create a binding contract or any other obligation or liability on the City. The City reserves the right to change its policies and procedures at any time, formally or informally, with or without notice, for any reason. The City also reserves the right to take any employment action it deems appropriate. The prohibitions set forth in the Employment Manual do not create an express or implied contract with any person.

I understand that no verbal or written agreements, understandings, representations or statements made by my Department Director or Supervisor can change the policies outlined in this manual, or bind the City to any course of action.

Employee's Signature

Employee's Name (Please Print)

Date

Witness



1001 * PERSONNEL POLICY

The following personnel policies set forth City policies and procedures for personnel administration, as well as the conditions of employment with the City and the basis for compensation and benefits. The information contained in these policies shall be considered official policy of Roy City Corporation and may be revised from time to time by the City Council with or without notice to the employee. The official interpretation of all matters dealt within this manual shall be the responsibility of the City Manager, unless appealed to the City Council.

This Employment Manual is provided for general guidance only. The policies and procedures expressed in this Employment Manual, as well as those in any other personnel material, or other types of material which may be issued from time to time, do not create a binding contract or any other obligation or liability on the City. The City reserves the right to change its policies and procedures at any time, formally or informally, with or without notice, for any reason. The City also reserves the right to take any employment action it deems appropriate. The prohibitions set forth in the Employment Manual do not create an express or implied contract with any person.

Department Directors may, with the approval of the City Manager, establish additional policies and procedures as they deem necessary for the efficient and orderly administration and supervision of their departments, provided that they do not conflict with policies and procedures established in this manual.

Philosophy of Service

The purpose of Roy City is to provide those services which the City Council deems necessary and desirable for the general health, safety, and welfare of the citizens of Roy. Essentially, all that each City employee does should be for the public benefit and advantage of the people residing within the corporate limits of Roy City, thus promoting their greater prosperity and general welfare.

Specifically, the purpose of each department of the City is to provide the highest possible level of service at the most reasonable cost to the citizens.

Employment Philosophy

The quality of the services provided by the City is dependent upon the individual initiative and responsibility of its employees. Successful employees are self-motivated, perceptive, problem-solvers, service-oriented, have an eye for detail, and follow a job through to its completion in a professional manner.

Most work in the City is accomplished on a team basis. A productive and successful employee is expected to be able to work with others in a cooperative manner to accomplish the purpose of the City. The unifying force of team action is communication. To this end, pertinent job-related information must be shared and communicated with all others in the City who have an interest or concern in the outcome of any job or endeavor.

The City, therefore, seeks to attract and retain the most highly qualified and competent employees who exhibit the qualities and characteristics consistent with the job to be performed.

Enforcement of Policies and Procedures

The Department Director should enforce the City's Personnel Policies and Procedures and implement all procedures necessary to carry out the responsibilities of their respective departments consistent with these policies. The Department Director should notify all departmental employees of these policies and any amendments.

Personnel Administration

The administration of all personnel matters, except those specifically reserved by the City Council, is the responsibility of the City Manager. The City Manager, as authorized, shall administer the personnel system provided by this personnel policy pursuant to approved rules and regulations and applicable law.



1002 * EQUAL EMPLOYMENT OPPORTUNITY

Roy City is an "Equal Opportunity Employer", and as such follows a concept of non-discrimination in hiring and promotion of employees without regard to their race, religion, age, disabilities, sex, color, or national origin. Evaluation of employment candidates will be made on the basis of an objective determination of education, skills, experience, character, general competence, ability to work with co-workers, potential for job performance, and learning consistent with the needs of the position to be filled.



1003 * FAIR LABOR STANDARD ACT, FEDERAL AND STATE LAW COMPLIANCE

Roy City shall comply with all applicable provisions of the federal Fair Labor Standards Act and other applicable federal and state statutes relating to personnel administration and employment.



1004 * ADA POLICY AND GRIEVANCE PROCEDURES

It is the policy of Roy City not to discriminate on the basis of disability in the provision of services, activities, and programs and to provide grievance procedures for individuals seeking relief from conditions which create barriers to individuals with disabilities.

Consistent with the Americans with Disabilities Act, "ADA", Roy City retains its right to hire the best qualified applicants. The ADA protects the rights of qualified applicants and employees who can perform the essential job functions with or without reasonable accommodations. Employees with an ADA disability have the responsibility to notify the City about the need for job accommodation. The City will consider a reasonable accommodation where appropriate and necessary for an employee who has presented medical records which set forth a specific and documented disability for which an accommodation is requested. Such reasonable accommodations may include changes in the physical or functional work methods, or the work conditions or environment, so long as the employee can perform the essential functions of the job.

The purpose of this policy is to promote open relations with individuals in the community and the City organization, settle grievances as near as possible to the point of origin and review grievances with fairness and reasonable informality.



1005 * GARNISHMENTS

Upon receipt of a garnishment, the Finance Clerk should retain the garnishment information in the employee's permanent file located in the Management Services Department.

The Finance Clerk shall notify the Department Director and the employee whose wages are being garnished, either verbally or in writing, that a garnishment has been served. The Finance Clerk should then follow the instructions as set forth in the garnishment documents.

No employee will be discharged because their earnings have been subject to garnishment in connection with any one judgment.

City Position and Procedures

The private activities of employees, to some degree, reflect upon the City as employer and therefore employees are encouraged to live within their means and avoid the unnecessary use of debt or credit. The City views continued garnishments as an indication of financial mismanagement and a very serious and undesirable reflection upon an employee and the City, but the City will show professional consideration toward any employee with financial problems beyond the employee's control. Except for continuous garnishments for child support as provided by law, it is the policy of the City to view garnishment for more than one judgment as a negative reflection on the City and the costs and inconvenience of responding to multiple garnishments as an improper use of municipal resources and therefore continued garnishments may be sufficient reason to impose disciplinary action against an employee, up to and including termination. Each pay period there will be a \$5.00 administrative fee per garnishment. The administrative fee for child support shall not exceed \$25.00.

Where a garnishment for a second judgment (except for child support) is served on the City, an employee should present evidence within ten working days from the day of service that said garnishment has been completely satisfied or submit an explanation of why it is continuing.

An employee may not be disciplined for more than one garnishment on more than one paycheck by the same creditor for a single indebtedness. Decisions regarding disciplinary action regarding garnishments or other financial problems, such as civil suits for non-payment of debts or bankruptcy, shall be handled with professional discretion and no disciplinary action taken without first consulting the City Attorney. Consideration shall be given to the individual involved, the circumstances which created the problem and the effect of such potential disciplinary actions on both the City and the employee. Any disciplinary action must be based upon the garnishment(s) substantially interfering with the normal operations of the department or other City administrative personnel, other City resources and/or the performance level of the garnished employee.

Any questions regarding garnishments and how they are handled and their effect upon an employee's check should be directed to the Finance Clerk. Questions regarding garnishment effect upon employment status should be directed to the City Attorney. Any employee who is contacted by someone attempting to serve a garnishment should direct the process server to the Finance Clerk for appropriate service.



1006 * PERSONNEL AND PAYROLL RECORDS

Personnel File

The Management Services Department shall establish and maintain an official personnel file for each City employee. Access to these official files will be controlled by the City Manager, City Attorney, and Human Resources Coordinator. Employees are allowed access to their own official personnel files if they so request through the Management Services Department. Any request for access to personnel records shall be made in writing to the Human Resources Coordinator. (See Forms - Request for Release of Personnel Information.) All other access to official personnel files will be handled by the Management Services Department.

The official personnel file should contain the following:

- The employee's full name, address and phone number
- Emergency contact name and phone number
- The original application for employment and resume (if available)
- Pre-employment investigation reports
- Job test results
- Signed Personnel Action Form's (PAF's)
- Position and pay rate
- Job Description
- Performance evaluations
- Letters of recognition and commendation
- Specific Performance Objective Form and Significant Incident Report Form
- Records of disciplinary action
- Certificates of required training
- COBRA forms
- Signed conflict of interest form
- Tuition assistance records and grade reports

Once information is placed in an official personnel file, it will remain there unless the City Manager in consultation with the City Attorney and the Department Director determines that it should be removed or maintained at another location. Employees do not have the right to purge their official personnel file.

Information in personnel files should not be released to outside parties without written permission from the employee, except as permitted by Policy #1007 entitled "Employment References". However, if the City is required by law to release information, the information will be released without the employee's consent. If possible, the employee should be notified of the release of information under these types of circumstances.

Payroll Files

The Finance Clerk shall establish and maintain a payroll file for each employee that contains the following:

- Signed Personnel Action Forms (PAF's)
- W-4
- Authorization form for payroll direct deposit
- Payroll deduction authorizations
- Copies of benefit enrollment forms

The Finance Clerk shall maintain the following information for each employee:

- Total straight time earnings
- Total overtime earnings
- Additions and deductions from wages paid
- Net wages paid during each pay period



The pay period covered by each pay check
Annual, sick and compensatory time accumulated, accrued, used or converted
W-2 forms
Such other payroll information as required by law

In addition, the Finance Clerk shall maintain a payroll file for each pay period which includes:

Departmental payroll time summaries
Payroll adjustments

Payroll records should be retained for such periods required by the Wage and Hour Division of the Department of Labor or as otherwise required by law. Each department is responsible for maintaining the individual time sheets of their employees.



1007 * EMPLOYMENT REFERENCES

This policy establishes the procedures to be followed by Roy City in giving employment references in order to qualify for employer reference immunity as provided by Utah Code 34-42-1, as amended, and protect the City from potential liability arising from providing information about present or former City employees.

1. The Human Resources Coordinator or the current or former employee's Department Director may, in good faith, provide the following information to prospective employers regarding present or former City employees when it is documented in the employee's personnel file:
 - a) Dates of employment;
 - b) Employee's job title;
 - c) Job duties as set forth in the job description;
 - d) The employee's wage or salary, or salary range;
 - e) The employee's job performance, professional conduct, and evaluation.
2. Department Directors, using discretion, may direct a supervisor to provide an employment reference following the above guidelines. Supervisors should not provide employment references without Department Director approval.
3. Letters of recommendation may be written by Department Directors, or by a supervisor with Department Director approval, when they are positive in nature.
4. If an employee desires the City to provide further information regarding their employment to prospective employers, the employee must present to the Human Resources Coordinator a signed, written request authorizing the City to provide additional information to prospective employers. (See Forms - Request for Release of Personnel Information) This written request must also release all future claims against the City and indemnify the City from any claims arising from the disclosure of such information. The request for release of further information may be made at the time of termination of employment with the City, or at any other time the employee or former employee desires. The release shall be placed in the employee's personnel file.

Requests for verification of employment shall be forwarded to the Finance Clerk for processing.



1008 * PAYROLL DEDUCTIONS / DIRECT DEPOSIT

Payroll Deductions

Any employee desiring to start a payroll deduction program or make a change in their current payroll deductions should complete the appropriate sections of the "Authorization for Payroll Deduction" which can be obtained from the Finance Clerk, and return that form, fully filled out and signed, to the Management Services Department.

The payroll deductions which are currently available to City employees are listed on the Authorization for Payroll Deduction Form. The list of available payroll deductions may change from time to time. In order for a new deduction to become available, there needs to be a minimum of five participating employees. If participation drops below this level, consideration may be made to discontinue the deduction. Additions or deletions from this list shall be approved by the Management Services Department. Employees should be informed when deductions are added to or deleted from the list.

Direct Deposit of Pay Check

Employees are required to have their paycheck automatically deposited into a bank, credit union or savings and loan through direct deposit. Each employee will be required to complete an "Authorization Form for Payroll Direct Deposit". The employee shall submit the authorization to the Finance Clerk for processing.

An employee may change authorization for direct deposit by submitting an "Authorization Form for Payroll Direct Deposit" to the Finance Clerk in such time and in such manner as to afford the City and the depository a reasonable opportunity to act on it.

The City retains the right to require employees to participate in a mandatory direct deposit program.



1101 * HIRING PRACTICES

General Practice

Roy City is an "Equal Opportunity Employer", and as such, follows a concept of non-discrimination in hiring and promotion of employees without regard to their race, religion, age, disabilities, sex, color, or national origin. Evaluation of employment candidates will be made on the basis of education, skills, experience, character, general competence, ability to work with co-workers, and potential for job performance and learning consistent with the needs of the position to be filled.

It is the policy of the City to fill all job openings with the most qualified individual available. Where possible, it shall be the policy of the City to promote from within, provided that all promotions shall be made based upon the most qualified individuals. Roy City employees that apply and meet minimum qualifications required for the position should be interviewed together with the other applicants who are most qualified for the position.

Approval of Job Openings

New regular or appointed positions may be created only with City Council authorization and approval of the classification and salary range of the position, either through the annual budget authorization or by separate action. Any Department Director wishing to create new positions within their department may submit a request to the City Manager for approval of the request, the proposed classification, the job description, and the proposed pay range for the job.

Job openings for existing positions which have been previously authorized and budgeted by the City Council shall be submitted to the Management Services Department to initiate the hiring process.

Job Descriptions

The Management Services Department, in coordination with the various departments, prepares job descriptions listing the terms of required education, experience, skills and abilities, fitness, competence and character. Prior to filling a full-time position, the Management Services Department should meet with the Department Director or hiring authority to discuss any changes to be made to the job description. If changes are made, they must be approved by the Department Director or hiring authority, the Management Services Department, and the City Manager.

Advertising the Position

After the opening has been approved and the job description has been reviewed and finalized, the Department Director or hiring authority should submit the desired start date in writing to the Management Services Department and indicate their preference as to when the Management Services Department should begin advertising the position.

The Management Services Department will prepare an advertisement briefly describing the job, indicating the starting salary, the minimum requirements, the general duties, responsibilities or functions for the position, and the closing date. This advertisement should be sent to each Department Director for posting within each department. In addition, and at the same time, the Management Services Department will advertise all new and vacant positions as it deems appropriate and as directed by the hiring department. Usually this will include the City website and other agencies deemed appropriate.

The salary advertised for a vacant position is usually the salary at the beginning of the range. However, another advertisement method may be used to obtain a better selection of applicants, such as a starting salary range or salary depending on qualifications. The decision regarding the advertising of salary for a new position will be made by the Department Director with the approval of the City Manager.



Applications for Employment/Promotion

Applications for all positions or advancements shall be filed with the Management Services Department or on the City's website. All applicants must list on their application their present and actual address where they reside at the time of filing their application. Any applicant who changes address or telephone number after filing should immediately notify the Management Services Department of the new address and/or telephone number. Failure to do so may prevent the City from contacting the applicant.

Applications for employment, full-time and part-time, will be accepted only when a position is open or when the Department Director deems it appropriate to establish a roster because of the number of positions, frequency of turn-over, or lead time required to fill a position in that department. Applicants under the age of 18 must have a parent or legal guardian sign the application for employment authorizing the minor to participate in non-invasive drug and alcohol testing procedures.

When an applicant applies for a position that is open, it should be date-stamped and given to the Management Services Department. Applications are not accepted after the date listed as the closing date on the job opening. Once the deadline for accepting applications has passed, all applications will be screened by the hiring department. Failure to fully complete the application or comply with the rules herewith may be grounds for rejection of the application. Applications are kept on file in accordance with the Government Records Access and Management Act.

Screening of Applications

Once the application deadline has passed, the hiring department will screen all applications and compile a list of the most qualified applicants for further examination.

Whenever it appears from an application or otherwise that an applicant does not possess the requisite educational, physical or experience qualifications for the position sought, or fails to meet the requirements of the position set forth in the rules or in the specifications for the applicable position, or that the application contains false, incomplete or intentionally misleading statements, the hiring department may reject such application and refuse the applicant further consideration.

The Department Director or hiring authority may determine how many applicants they wish to test and/or interview.

The Department Director shall coordinate those applicants to be tested and/or interviewed.

Interviews, Examinations, and Physical Testing

Upon application for employment or promotion, examinations may be required by the hiring department or the Department Director. If required, it shall be public, competitive and free. They will be held at times determined by the hiring department and only after each applicant is given reasonable notice. The examination may include, but is not limited to, written tests, oral interviews, and a polygraph examination to the extent permitted by law.

The City may also require the individual to undergo performance, physical, and/or psychological tests after the City has made a conditional job offer. This may include a job related independent medical exam (IME) by a physician selected by the City. Where required, the IME shall be paid for by the City. An individual's failure to undergo the IME will result in disqualification for the position.

Re-Application: If a former Roy City employee, full-time, part-time, or reserve is in good standing at the time of termination, and re-applies within six months after submitting a resignation, the examination may be waived at the discretion of the hiring department and approval of the City Manager.

Minimum Grades on Each Section: Prior to giving an examination, the Department Director may, with the approval of the City Manager, determine a minimum grade for all or any part or parts of an examination. Any candidate who fails to attain at least this minimum grade shall be considered to have failed and shall not be further examined.



Method of Rating Examinations: Each part of an examination, except in such cases where a minimum passing grade is a prerequisite, shall be separately rated. The method of obtaining the examination grade shall be by adding the grade of all parts, stated percentage amounts. The total grade will determine the order in which the names of the applicants shall appear on the eligible list with the applicant having the highest grade at the top of the list.

Conduct of Examinations: All examiners shall conduct examinations under the supervision and consultation with the Management Services Department or the affected Department Director and in accordance with such methods as the Department Director shall prescribe. All examinations shall be impartial, fair and practical, and designed to test the relative qualifications and fitness of applicants to discharge duties of the particular position to be filled. No question in any examination shall relate to the politics, race, national origin, color, age, sex, disability, or religious convictions or affiliations of the applicant.

Notice to Those Who Failed: All applicants who fail their respective examinations should receive reasonable notice from the affected Department or Management Services Department. Reasonable notice may include posting a notice, in a confidential format, in a public place.

Waiver of a Disqualifying Condition: The City Manager, upon recommendations from the Department Director, may waive a disqualifying condition found to exist in an applicant for appointment if it is determined the condition will not interfere with the present performance of any of the duties of the position sought if reasonable accommodations are made.

Pre-Employment Investigations

Applicants **are subject to criminal and educational background checks.** Before appointment, applicants for public safety positions may be subject to further investigation by the Police Department to establish that the applicant's character is above reproach and that the applicant has not committed any felony, misdemeanor involving moral turpitude, or is not a habitual petty law violator.

During any character investigation, the Management Services Department reserves the right to verify any statements or references made by the applicant in their application. Applicants may be requested to allow a check of their credit history. Any item on the application determined to be falsified may result in the applicant being terminated from his present position with the City and removed from consideration for appointment to any City position.

Information obtained from reporting agencies may be reason for disqualifying an applicant for a position. If an applicant is disqualified due to information obtained through one of these agencies, the applicant may have the right to dispute the report with the agency under FCRA (Fair Credit Reporting Act) laws or through BCI for background checks.

Coaches and Volunteers

Applicants for coaching or other non-employee positions are subject to the pre-employment checks as described above.

Selection

Upon successful completion of the application, recruitment and examination process, the selection procedure shall be as follows:

1. Registration. Those applicants who pass all portions of the examination process shall be registered by the Department according to score.
2. This register may be used until the department determines that it is no longer valid or accurate. Such time shall not exceed two years. The City reserves the option to choose whether to use this register or to re-advertise for the position.



3. The Department Director shall make, or cause to be made, the appropriate reference checks and background investigation.
4. The Department Director or their designee may interview prospective applicants. Upon selection of an applicant, the Department Director or their designee shall submit a completed personnel action form to the City Manager through the Management Services Department, who may make additional verifications and checks including a check with the candidate's present employment upon approval of the candidate. The approved or disapproved personnel action form shall be returned to the Management Services Department. **All** hiring shall be coordinated with the Management Services Department.
5. If the candidate accepts the offer, the hiring department shall direct the employee to the Management Services Department, who will set up a meeting with the applicant to fill out the necessary forms and begin work. The hiring department should then telephone all other applicants who were interviewed and inform them that a selection has been made. All applicants who do not receive interviews should be informed by mail.

If the candidate does not accept the position, the Department Director or hiring authority shall determine who if anyone is to be offered the position.
6. Applicants who met the job qualifications, but were not selected for the positions, may be kept on a register by the affected department for further hiring in that position or similar positions, and said register may be kept and utilized until it is no longer considered valid by the Department Director and the Management Services Department. The register shall not be valid for more than two years and only those applicants scoring in the top one-third of the register are eligible for further hiring.
7. The successful candidate for the approved job opening should be notified of the beginning service date, the classification and salary range of the position being filled, the beginning salary or hourly wage, and the employment status. The successful applicant shall receive a job description of the position and a copy of the Personnel Policies and Procedures of the City and of the department.
8. **No** employee shall commence employment until the Management Services Department has received the information required for employment such as driver's license verification form, drug screen, and any other requirement. The Management Services Department shall notify the new employee and Department Director that the employee may commence employment.

Starting Salary

For each position in the City organizational structure, there is an assigned salary range. In most situations, new employees will start at the beginning of their range; however, a new employee may start somewhere within the assigned range at the discretion of the Department Director with approval of the City Manager.

Part-time regular positions will be assigned a starting hourly wage. The wage scale may be adjusted from time to time due to changes to the minimum wage or job related requirements. Part-time employees may initially be hired up to 10% above the minimum starting wage, but only if the City Manager gives written approval before an offer of employment is made. For seasonal employees, this is only applicable to the first season they are hired.

Residency Requirements

Each Department Director should determine the policy which will be applied in that department regarding City residency for full and part-time employees. The same policy does not have to exist for both full and part-time employees. This policy shall be written and on file in each department. Any residency policy shall be approved by the City Manager after review by the City Attorney.

Veterans Preference



In accordance with federal law and Utah Code Ann. Section 71-10-2 or any successor statute, any individual who has served on active duty in the armed forces for more than 180 consecutive days, or was a member of a reserve component who served in a campaign or expedition for which a campaign medal has been authorized and who has been separated under honorable conditions; or a disabled veteran with any percentage of disability; or the spouse or unmarried widow or widower of a veteran; or a purple heart recipient; or a retired member of the armed forces who retired below the rank of major or its equivalent, shall be preferred for interviewing and hiring for any work in which the City is engaged, either directly or by contract, if they possess the qualifications for that employment and if they are residents of the state.

Such veterans and such un-remarried surviving spouses of veterans shall be given 5 percent of the total possible score if they are a veteran, as defined by state law and 10 percent of the total possible score if they are a disabled veteran or Purple Heart recipient, as defined by state law. Points will be given upon initial hiring only.

Filling a Part-time Position

Part-time positions shall be posted within the City and advertised in the same manner as full-time positions.

Hiring Status

Hiring may be made on a temporary, emergency or regular basis:

1. Emergency or Temporary Hiring: Department Directors, upon approval of the City Manager, may hire on an emergency or temporary basis. Any removal of personnel upward or downward in status of said emergency or temporary period is at the discretion of the Department Director. The City Manager may temporarily hire or re-assign personnel within departments or across departments for an undefined period.
2. The Department Director or their designee shall have the power to assign employees in the department to different classes of work or service within the classification to which they have been hired or promoted, and may change such assignments from time to time.

Hiring of Minors

The U. S. Department of Labor Standards outlines what duties minors can perform under Youth Labor Laws.

On the use of machinery such as lawn mowers and weed eaters, the Department of Labor has indicated these were not prohibited.

Relocation Allowance

The City may pay reasonable and customary relocation expenses as determined by the Mayor to be necessary to hire prospective executive level employees. Employees who relocate at the request of management may be eligible for reimbursement under this policy. The relocation allowance shall not exceed \$5,000 without prior consultation with the City Council.

Employees receiving relocation allowances must sign a memorandum of understanding which may provide that any moving allowances received shall be repaid to the city within 30 days of the employee's voluntary departure from employment with the City, if the departure occurs before the employee has completed two years of service with the City. Repayment shall be prorated based upon the proportion of the two year requirement completed. Repayment is not required from employees who are terminated involuntarily.



1102 * EMPLOYMENT CLASSIFICATIONS

All employees shall be classified as one of the following:

1. Regular employees. The City Council approved positions are as follows:
 - a. Full-time Employee - An employee in a City Council-authorized position who is scheduled to work 40-hours per week on a continual basis, and who has successfully completed their probationary period.
 - b. Part-time Employee – An employee in a City Council-authorized position who generally works less than 1,560 hours per year. Part-time employees are not eligible for retirement, leave benefits, or any benefit generally given to full-time employees unless specifically approved by the City Council. This classification includes positions which may be considered seasonal or temporary. Part-time employees are at-will and may be terminated at any time with or without notice or cause.
 - c. Probationary Employee - An employee hired, promoted, or transferred to fill a City Council-authorized position is initially on probation. Probationary employees receive benefits for which they are eligible. Probationary employees are at-will and may be terminated at any time with or without notice or cause.

An employee is on probation for the first twelve months of employment. Probation may be extended by the Department Director with the concurrence of the City Manager. See Probation Policy #1107 for promotion probation periods.
2. Part-time Firefighter - A City Council approved position. An employee hired to work as needed at an hourly wage. A part-time firefighter:
 - a. shall be an at-will employee and may be terminated at any time with or without notice or cause; and
 - b. is not eligible for benefits.
3. Exempt Supervisory Employees – Department Director appointed positions are: Deputy Police Chief, Deputy Fire Chief, Deputy Public Works Director, and Deputy Parks & Recreation Director.
 - a. Hiring Practices. Employees in this category are appointed by the Department Director and serve at the Director's pleasure with concurrence of the City Manager,
 - b. Termination of Employment. Exempt supervisory employees are at-will employees and may be terminated at any time with or without notice or cause, subject to severance provisions.
4. Appointed Employees - City Council appoints the City Manager. City Manager appointed positions are: City Attorney, Management Services Director, Police Chief, Fire Chief, Public Works Director, and the Parks & Recreation Director, at the advice and consent of the City Council. Appointed employees are at-will employees and may be terminated at any time with or without notice or cause subject to severance provisions. Appointment employee termination requires the review and consent of the City Council.
5. Justice Court Judge – A position appointed by the Mayor and ratified by the City Council then retained through an election to preside over the Justice Court proceedings. This position shall work the number of hours needed to fulfill the objective of the Justice Court, and is subject to Utah State Retirement benefits.
6. Elected Officials, Commissioners, Board Members and Committee Members - Mayor, Members of the City Council, Planning Commission Members, Board of Adjustment Members, and all other appointed



Commissions, Board or Committee Members. These policies and procedures shall not apply to elected officials. Their status, compensation, if any, etc. shall be governed by the statutes, ordinances, resolutions or executive orders which create and govern such positions.

For the purpose of Utah State Retirement System coverage, the City classifies all elected officials as part-time. Eligibility for retirement coverage under Utah State Retirement Systems shall be administered in accordance with the statutory rules governing Utah State Retirement Systems.



1103 * RE-EMPLOYMENT

The following policy shall apply to re-employment of former City employees:

1. Voluntary Termination - Full and Part Time: Except as otherwise provided by these policies and procedures, a terminated employee forfeits all rights to re-employment and must compete with other individuals interested in filling vacancies within the City. Nothing in this section shall be construed to mean that a re-hired employee must retain their former position on the salary scale.
2. Seasonal Re-employment: Whenever a seasonal employee separates employment with the City and is rehired, the wage shall be determined as per Section 1302 - Part-Time Employee Compensation and Evaluations.
3. Layoffs - An employee who is laid off by the City under favorable circumstances may be given first consideration for rehiring for the position if the position is approved by the City Council.

Benefit accruals for eligible positions will start over upon re-employment. Credit will not be given for previous years of service.

Military Activation (USERRA)

Employees called to active duty from reserve status, and returning from military service, shall be reinstated in their former, or comparable positions, even though this may result in the layoff of more recently hired employees. Such employee shall be reinstated with accrued sick leave, if not previously cashed out, and credited with the period of active duty status, up to 5 years, for purposes of determining pay, seniority, status, vacation leave accrual and other benefits. Employees who terminate employment prior to military activation shall be considered under "voluntary termination" as stated above.



1104 * HIRING AN EMPLOYEE FOR AN ADDITIONAL JOB WITH CITY

Due to the overtime compensation requirements imposed by the Fair Labor Standards Act, Department Directors are discouraged from hiring present City employees for additional jobs with the City.

If a situation arises in which a Department Director desires that a present City employee should be employed in a second position, the Department Director should first receive approval by the City Manager, City Attorney, other affected Department Directors, and Management Services Department to determine whether the employment can comply with the Fair Labor Standards Act. All wages paid to employees covered by Utah Retirement Systems are subject to retirement benefits.

Part-time/seasonal employees are limited to less than 1,560 hours per year, which shall be considered when employing an individual in more than one department.



1105 * EMPLOYMENT OF RELATIVES

Utah State law (52-3-1 U.C.A. et seq, or any successor statute), prohibits an employee from being "directly" supervised by a relative. Roy City discourages employment, supervision, and evaluation of immediate relatives. Relative is defined in this policy as; fathers, mothers, husbands, wives, sons, daughters, sisters, brothers, uncles, aunts, nephews, nieces, first cousins, mothers-in-law, fathers-in-law, brothers-in-law, sisters-in-law, sons-in-law and daughters-in-law, grandparents, and grandchildren.

Purpose and Objective

The purpose and objective of this policy is to prevent conflicts of interest, unfair advantage of one employee over another because of family relationships, and minimize the public appearance of improper advantages or opportunity because of family relationships.

Procedures and Responsibilities

1. No paid City employee shall employ, appoint, recommend or participate in the employment process in any way, or vote for the appointment of, their relative to any paid City position of any kind, except in the direct popular election process and as specifically authorized by Utah law.
2. The general rule is that employees or officials of the City shall not appoint or permit relatives in superior-subordinate employment relationships. Where two relatives are employed in the same department, every effort shall be made to avoid placing such relatives in any type of superior-subordinate relationship. Superior-subordinate relationships shall include situations where one employee (superior) directly supervises the work or evaluates or recommends for advancement of pay, or promotion another employee (subordinate) or can affect the employment process to include: selection, evaluation, hiring, firing, or other personnel actions.
1. While two or more relatives may, through the election process, occasionally be in positions where one relative may have authority to vote for, recommend or control appointment, pay, benefits or promotions of a relative, that relative shall decline to act or, where possible, allow some other impartial authority to act whenever there may appear to be a position of advantage or favoritism over other employees by such action.
4. Exceptions to this directive shall be made as provided by Utah law including application, modification or revision of the above provisions under the following circumstances:
 - a. If the employee was already hired by the City prior to the time their relative assumed an elective position.
 - b. The employment or assignment of a relative in the prohibited position occurred before the law's effective date.
 - c. Where the employment of the relative is mandatory under Fair Labor Standards Acts or other mandatory hiring provisions.

Interpretations

The general rule shall be that if questions arise as to the propriety of hiring or assignment involving relatives, the decision should be made against the hiring or assignment. In the event questions arise as to the propriety of any hiring or appointment concerning questionable assignments, immediate contact shall be made with the City Manager and the City Attorney, who shall render an opinion regarding the same. The City shall strive in every way to be fair and equitable in its application of this directive.



1106 * IMMIGRATION REFORM AND CONTROL

The City, in order to comply with the Immigration Reform and Control Act of 1986, shall adhere to the following policy.

All new employees must complete an I-9 Form and provide documentation proving their identity and eligibility for employment to the Management Services Department. The information will be processed through E-Verify to determine that the individual is eligible to work in the United States. An individual cannot begin work with the City until the E-Verify process has been completed.

The following is a list of documents that have been designated for determining identity and/or employment eligibility by the Immigration Reform and Control Act of 1986.

To complete the I-9 Form, employees must present one document listed in column A, or one document from column B and one document from column C.

Column A

- United States Passport
- Permanent Resident Card or Alien Registration Receipt Card (Form I-551)
- Unexpired foreign passport which:
 - Contains an unexpired stamp which reads "Processed for I-551. Temporary Evidence of Lawful Admission for permanent residence. Valid until 0000. Employment authorized;" or has attached there to a Form I-94 bearing the same name as the passport and contains an employment authorization stamp, so long as the period of endorsement has not yet expired and the proposed employment is not in conflict with any restrictions or limitations identified on the Form I-94, or any successor form.
- An unexpired Employment Authorization Card that contains a photograph of the bearer (Form I-766, I-688- I-688A, I-688B, or any successor forms).

Column B

For individuals 18 years of age or older:

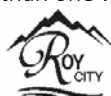
- State-issued driver's license or state-issued identification card containing a photograph. If the driver's license or identification card does not contain a photograph, identifying information should be included, such as name, date of birth, sex, height, color of eyes, and address.
- School identification card with a photograph
- Voter's registration card
- United States Military card or draft record
- Identification card issued by federal, state or local government agencies
- Military dependent's identification card
- Native American tribal documents
- United States Coast Guard Merchant Mariner Card
- Driver's license issued by a Canadian government authority

For individuals under age 18 who are unable to produce one of the documents listed above:

- School record or report card
- Clinic, doctor or hospital record
- Daycare or nursery school record

Column C

- Social Security number card, other than one which has printed on its face "not valid for employment



purposes."

- An original or certified copy of a birth certificate issued by a state, county, or municipal authority bearing an official seal.
- Unexpired DHS employment authorization
- Certification of Birth issued by the Department of State (Form FS-545, or any successor form)
- Certification of Birth Abroad issued by the Department of State (Form DS-1350, or any successor form)
- United States Citizen Identification Card (INS Form I-197, or any successor form)
- Native American tribal document
- Identification Card for use of Resident Citizen in the United States (INS Form I-179, or any successor form)



1107 * PROBATION

Policy

The probationary or working test period shall be regarded as an integral part of the hiring, promotion and transfer process and shall be utilized for training and for closely observing the employee's work, securing the most effective adjustment of a new, promoted or transferred employee. (Employees who rotate assignments within the same or closely related positions, such as patrol, detective, narcotics officer, PSD (Police Service Dog) officer, etc., shall not be required to be in probationary status each time a change in assignment is made).

The probationary period is a working test period during which an employee is required to demonstrate their fitness for the position to which they have been appointed by actual performance of the duties of the position. Probation may also be used as a disciplinary measure to evaluate an employee's status.

An informal written evaluation of performance shall be completed by the Supervisor on a quarterly basis while the employee is serving in a probationary status.

Duration

All employees filling a full-time position shall serve a probationary period of at least twelve months starting at the time of hire and again following any change in position, i.e., promotion, transfer, etc. The Department Director, with approval of the City Manager, may extend the probationary period for a period not to exceed three (3) months. The City Manager may extend the probationary period beyond the three months if deemed necessary.

Benefits for Probationary Employees

Full-time probationary employees are eligible for the same benefits as they will receive when they become regular employees.

Probationary Evaluations

Full-time probationary employees should meet at least quarterly with their supervisor or Department Director to discuss their performance and work expectations. A record of these meetings, signed by the employee, shall be kept in the employee's official personnel file in the Management Services Department.

Dismissal

A probationary employee, except for a newly promoted or transferred employee, is an at-will employee and may be terminated at any time with or without notice or cause by the appropriate Department Director supervisor after consultation with the City Attorney and City Manager.

An employee who is promoted or transferred to a position shall be considered probationary in that position. If an employee who is on probation in a new position does not successfully complete probation but is otherwise eligible for continued employment, the employee will be allowed to return to their former job or to a comparable job for which the employee is qualified, depending on the availability of such positions and the City's needs.

Unpaid Leave During Probationary Period

Time spent on any unpaid leave of absence shall not be considered as part of any probationary period.

Regular Appointment

Upon successful completion of the probationary period, and approval of the Department Director and City Manager, the employee shall become a regular employee. The Management Services Department and employee shall be



notified of the new status with a Personnel Action Form. The employee will remain on probationary status until such notification has been given.

Employee Placed on Disciplinary Probation

Regular employees may be placed on probation as a disciplinary measure for periods of time to be determined by the Department Director in consultation with the City Manager and the City Attorney. Employees who are placed on probation remain eligible to accrue the same benefits they received prior to probation unless otherwise directed by the Department Director.

While on probation, an employee's anniversary date used for merit evaluations shall be extended by the time the employee is on probation. The extended date shall become the employee's new anniversary date for future merit reviews.



1108 * DRIVERS LICENSE REQUIREMENTS FOR NEW HIRES

Any employee who is hired in a position which requires operation of City vehicles or equipment must possess a valid Utah driver's license or have a military exemption, and must be insurable (under the City's insurance policy then in force without any additional premiums or costs being incurred by the City to insure that employee).

Prospective Employees

Prospective employees who may drive for the City or drive City vehicles must provide the City with their date of birth and driver's license number in order for the City to ascertain the validity of their driver's license and their insurability. The status of the driver's license and insurability status of a prospective employee must be determined before that employee begins working for the City; however, the City will allow one month from date of hire to obtain a commercial driver's license if it is required for the position.

Current Employees

See Maintenance of Valid Driver's License Policy #1508.



1109 * RETURN TO WORK AFTER SERIOUS INJURY OR ILLNESS

Policy

It is the policy of the City of Roy to allow employees who have been seriously injured or seriously ill to return to their full responsibilities as soon as they are able to perform the essential functions of their job.

Purpose

1. To ensure that employees are able to return to either their full responsibilities or to temporary light duty as soon as is appropriate after a serious injury or illness.
2. To protect the employee from further injury or illness resulting from returning to work too early.
3. To protect the City from potential worker's compensation liability resulting from requiring or allowing an employee to perform functions which should not be performed due to medical limitations.
4. To ensure that reasonable accommodations are made for employees where appropriate.
5. To comply with all applicable state and federal laws.

Guidelines

1. For purposes of this policy "serious injury or illness" shall mean any injury, illness or medical condition which is serious enough to affect the performance of any essential function of the job, as reasonably determined by the City. The determination shall be made by the employee's Department Director in consultation with the City Attorney.
2. When an employee has had a serious injury or illness, whether work related or not, the employee shall not return to work until a physician has treated or examined the employee for a return to full duties. **The release shall specifically address the essential functions of the job and shall unequivocally state that the employee can perform the essential functions.** If the City, or the Workers' Compensation Third Party Administrator (TPA) has reason to believe, based on knowledge of the type of injury or illness, observation of the employee or any other evidence or information, that the employee may not be able to perform the essential functions of the job, the City or TPA may require the employee to undergo a job related independent medical exam (IME) by a physician selected by the City. Where required the IME shall be paid for by the City. An employee's failure to undergo the IME will result in the employee's termination.
3. In cases where the physician doing the IME has a different opinion than the employee's treating physician, the employee may request a third opinion, in which case the City and the employee shall mutually agree upon a third physician and shall each pay half of the cost of the examination.
4. Before the employee returns to work, the physician's release and the employee's return must be approved by the employee's Department Director and the City Attorney. The decision to approve the release shall be made based on all the information available to the City regarding the job and the employee's medical condition. The release shall be included in the employee's personnel file.
5. The City shall allow the employee to return to full duties once the release has been submitted and approved as required by paragraph #4 above. Employees are encouraged to vigorously pursue any recommended therapy in order to accelerate their return to work.
6. Employees returning to work after a serious injury or illness are expected to perform all the required functions and duties of their job.



7. In cases where an employee cannot return to full duty because of limitations caused by the serious injury or illness the City may allow a return to temporary light duty for a period of time not to exceed six weeks in cases where (1) there is a legitimate light duty available without displacing another employee, (2) the employee is qualified to do the light duty, and (3) the employee's physician releases the employee to perform light duty. In unusual cases the light duty may be extended upon approval by the City Manager where the employee is undergoing therapy, is an active and committed participant in the therapy and the expectation of recovery allowing the full performance of the essential job functions is verified by the employee's physician.
8. The availability of temporary light duty shall be determined by the Department Director in conjunction with the City Attorney and City Manager.
9. At the end of the temporary light duty assignment, or in cases where there is no light duty available, the following options are available to the employee.
 - A. Return to work in the same job held previously, performing the full duties of the job, with a physician's release as required above.
 - B. Reassignment to another position available in the City, for which the employee possesses the minimum qualifications, and the essential functions of which the employee can perform. Availability shall be determined by the Department Director involved. Reassignment to a position in a different department must be approved by the City Manager.
 - C. Return to the same job held previously with reasonable accommodations to help in performance of the essential functions, as set forth in paragraph #10 below.
 - D. Medical leave of absence for up to twelve weeks (either using accrued leave of worker's compensation benefits, or without pay if benefits or leave are not available or applicable).
 - E. Apply on a competitive basis for any open position in the City.
 - F. Retirement or other separation from City employment.
10. The City shall make reasonable accommodations for the performance of essential functions by employees who have suffered a qualifying disability under the ADA. Reasonable accommodations do not include creating another position or having another employee perform the essential functions.



1110 * PREGNANCY LIGHT DUTY POLICY

Policy

It is the policy of Roy City to provide pregnant employees an opportunity to continue to participate in the work force during pregnancy where possible. This policy is to implement the provision of a Temporary Light Duty assignment for pregnant employees. Pregnant employees who are able to work must be permitted to do so on the same conditions as other employees if they are able to fully perform their regularly assigned job duties. The pregnant employee's acceptance of light duty will not result in reduced pay or benefits.

Purpose

It is the purpose of this policy to establish guidelines relating to Temporary Light Duty for full and part-time employees in need of light duty during pregnancy.

It is the purpose of Roy City to provide equal employment opportunities to employees and to comply with the Pregnancy Discrimination Act (PDA).

Report and Processing Need for Light Duty

1. If an employee becomes pregnant and has physical limitations that prohibit them from performing the functions of their regularly assigned position, the employee shall notify, or cause to be notified, their Supervisor and Human Resources.
2. To notify Roy City, the employee must submit a Medical Release-Pregnancy Form signed by their medical care provider that verifies the employee is pregnant, identifies any physical restrictions to apply during the light duty assignment, and states how long the restrictions apply.
3. The employee is responsible, with the advice of their medical care provider, to determine how long they will continue working in their regular assigned position. An employee is not required to accept a light duty assignment. The employee may request light duty at any time during the pregnancy pursuant to the Medical Release-Pregnancy Form and the advice of the employee's medical care provider.

Procedure

1. Once Roy City has knowledge the employee is pregnant and the employee has requested light duty, the employee will be eligible for consideration for a light duty assignment. Roy City is under no obligation to create or design a job or assignment specifically for such light duty, but will allow a pregnant employee who cannot perform the physical duties of their assigned position to fill a light duty position to the extent that one is available. Light duty assignments may be either in the employee's own department or elsewhere in the City, depending on availability. The light duty assignment shall comply with the physical restrictions imposed by the employee's medical care provider.
2. The employee can remain in a light duty position until they are physically unable to perform the light duty assignment or can return to their regularly assigned position as certified by the employee's medical care provider. Light duty assignments are temporary and are intended to last only for the duration of the pregnancy and only to the extent there are physical limitations due to the pregnancy that would cause the employee to be unable to continue working in their regular assignment.
3. FMLA, sick and vacation leave:
 - a. Once the employee is unable to perform their light duty assignment, they may be granted leave in accordance with the procedures set forth in the Roy City's FMLA policy. Nothing herein shall be



construed to limit an employee's use of FMLA leave at any time during the pregnancy pursuant to Roy City's policy and compliance with state and federal law.

- b. Sick and vacation leave will be recognized as part of this policy where applicable.
- c. Certain pregnancy related conditions may qualify an employee to receive reasonable accommodations under the ADAAA.
- d. Nothing in this policy shall prohibit an employee from voluntarily terminating their employment.

Training

While on light duty status, the employee may participate in department-level training classes that other employees are undergoing. The employee has discretion to attend the training based on the risk of the training.

Returning to Regular Assignment

- 1. In order to return to regularly assigned duties, an employee must submit a Medical Release, signed by the employee's physician, indicating the employee is released to full duty, with no restrictions.
- 2. Upon an employee's request to return to a full duty assignment with a signed Medical Release, Roy City will reinstate the employee to their regular assigned position.



1201 * BENEFITS

At the discretion of the City Council, the following benefits may be available to City employees and elected officials, subject to eligibility requirements.

Medical and Dental Insurance

The terms of the insurance contract(s) shall determine coverage eligibility and payment of all benefits; employees should not rely solely on verbal statements or summaries for interpretation of these documents.

In the event the City reasonably suspects abuse of any health benefits provided herein, it may request from any insurance company or service provider the utilization information of individual employees and/or dependents relative to the suspected abuse. Access to such information by any other party shall be limited by the City as required by State Law.

Eligibility

Regular full-time employees, full-time appointed employees, or as otherwise determined by the City Council or state or federal regulations. Elected officials are eligible for dental insurance benefits.

There is an established 12 month measurement period for determining whether an employee is considered to be eligible for health insurance benefits for a particular coverage period in order to be in compliance with the Patient Protection and Affordable Care Act. The measurement period is a one year period beginning November 1, 2014 and continuing until October 31, 2015. This measurement period will continue to be recalculated for the same period (November 1 to October 31) for every year thereafter. If an employee works an average of 30 or more hours per week over this measurement period, the employee is considered to be a full-time employee for the purposes of health benefits only.

If an employee is determined to be an eligible employee during the measurement period, the employee must be offered health benefits during the next twelve months regardless of how much time the employee actually works. If during the measurement period it is determined that an employee is not an eligible employee then the employee will not be entitled to health benefits during the next year regardless of how many hours the employee works during the year.

For new hires, the measurement period to determine if the employee is considered to be full-time and eligible for health benefits begins on the date of the hire and continues for one year. For every year after that initial year, the measurement period will begin on November 1 that occurs immediately after the hiring date and continues to October 31 of that respective year.

Enrollment

The employee must complete the online enrollment within thirty (30) days of hire or change of family status to be eligible for benefit coverage. For employees who do not enroll within 30 days, enrollment will be limited to an annual open enrollment period, which shall be the month of June for a beginning coverage date of the following July 1st.

Employee Contribution

The City Council shall determine contribution levels to be paid by the City. The remaining balance for medical and dental coverage shall be paid by the employee.

Life Insurance

Regular full-time employees are presently covered by life insurance, paid by the City and taxable to the employee, which is in effect during their employment with the City. The present policy provides one times annual salary for up



to five years of employment, one and one-half times annual salary for over five and up to ten years employment, and two times annual salary for over eleven years. The City also covers the employee's spouse at \$10,000 and each minor child at \$5,000. Additional life insurance may be made available at a minimal cost to the employee although a life insurance qualification form must be filled out and approved through the insurance carrier.

Long-Term Disability Program

In accordance with the Public Employees Long-Term Disability Act, *Utah Code Ann. § 49-21-102*, et seq, as amended, and any successor statutes, Roy City makes contributions for all regular full-time employees, except employees covered under the Firefighters Retirement Act or employees covered by the Public Safety Retirement Act who are covered under a long-term disability program offered by another political subdivision. Employees are responsible for paying the taxes on this benefit which will be reflected on their W-2 earning report. An employee must be out of work continuously for a set amount of time before long-term disability benefits begin. See the current Long-Term Disability policy for benefit descriptions and guidelines.

Employee Assistance Program

Regular full-time employees, part-time firefighters, and their dependents are covered by an Employee Assistance Program without cost to the employee. The City recognizes that behavioral-medical problems such as alcoholism, drug dependency, and physiological disorders can be treated successfully. While the City has no intention of interfering in an employee's private life, it is the policy of the City to become involved and endeavor to help when an employee's job performance is affected on a continuing basis or when an employee requests help. Employee referral to and participation in a program shall be treated in a confidential manner and associated information shall neither appear in the employee's personnel records, nor be released to anyone without the written approval of the employee, except when disciplinary action is being taken under other provisions.

Recreation Access

Recreation Complex

The City encourages employees to maintain a healthy lifestyle. The City shall provide access, without charge, for its full-time employees and immediate family residing with the employee to the Recreation Complex during regular operating hours. The City will also make available to full-time employees and their spouse's access, without charge, to exercise classes taught at the Complex. Fees will apply to other classes and recreational activities. The Department Director shall complete a Recreation Access Form (F-32) in order for the employee to participate in the program.

Other non-full-time employees may receive the above benefit if recommended by their Department Director and approved by the City Manager. Part-time employees must work continuously for nine months before being considered for this benefit.

If an employee in good standing leaves Roy City employment after 20 years of service and/or retirement, the employee and their spouse (children not included) may continue this benefit if requested at the time of separation. Employees terminated for cause shall not receive this benefit. In the event the separated employee dies, the spouse can continue the benefit until their death.

Aquatic Center

Aquatic Center benefits for employees will be set by the City Council. When purchasing admission or punch passes, employees will pay resident prices. Each summer the following benefit may be available:

Full-time employees, **ONE** of the following:

- One (1) ten punch pass
- Unlimited admission with Recreation Complex ID Card (including immediate family members living in the household)



Part-time employees working year round:

- One (1) ten punch pass

Other active seasonal employees:

- One (1) single punch pass

Other

The Recreation Department allows for discounts on recreational programs for full-time City employees. Full-time employees shall be allowed to reserve a City park bowery on a limited basis, without charge. This shall also apply to use of rooms at municipal facilities.

COBRA (Continuation of Coverage) for Health and Dental Insurance

Covered employees whose employment with the City is either voluntarily or involuntarily terminated and who have been employed with the City for at least six (6) months prior to their termination will be eligible for continuation of benefits in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

Premiums

The beneficiary shall pay the full monthly premium and will be assessed an administration charge.

Notification

Employees have sixty (60) days from the date they would lose coverage due to a qualifying event to inform the City's assigned COBRA administrator that they want to continue coverage.

If the employee's spouse or one of the employee's dependents becomes eligible because of a qualifying event, the employee must inform the City's assigned COBRA administrator within sixty (60) days of the qualifying event.



1202 * LEAVE

Annual Leave

The City believes that it is important that employees take planned time away from the work environment each year. This time provides both an opportunity to rejuvenate and is an important balance to the individual's personal and professional life. This policy defines the method by which regular full-time employees can earn annual leave and the process to be followed in requesting and receiving approval for paid annual leave. Only full-time employees earn annual leave.

Use of annual leave is coordinated by the employee's immediate supervisor. Employees must give advanced notice to supervisors for leave requests. Supervisors should allow employees to use accrued annual leave within a reasonable period after they request it, unless the operation of the department would be unduly disrupted by the employee's absence from work.

Annual Leave Accrual (Employees working 40 hours per week)

Regular full-time employees working 40 hour weeks, accrue annual leave with pay, on the basis of an eight hour day, five day week or 173 hour month, at the following rates, depending upon years of service. An employee may use annual leave as it accrues with permission from the employee's supervisor.

<i><u>(Full-Time Employees)</u></i> <i><u>Years in Service</u></i>	<i><u>Accrual Rate*</u></i> <i><u>(Hours/Pay Period)</u></i>	<i><u>Days Earned</u></i> <i><u>Per Year</u></i>
0 - 9 9 - over	4.31 Hours 6.46 Hours	14 days 21 days

(*Based on 26 pay periods per year. For years with 27 pay periods, the accrual rate will remain unchanged.)

Exempt supervisory employees and City Council appointed employees will accrue leave annually on January 1st.

Each year all leave in excess of 408 hours, not used as of the end of the pay period including the employee's hire date, will be forfeited unless otherwise extended by the City Manager. The deduction will occur in the pay period following the hire date pay period. Generally, the hire date will be the date of full-time hire by Roy City; not the date for merit increase. It should be noted that the full-time hire date for the City will not always be the department hire date.

Example of Forfeit of Leave

Annual Leave Balance as reported on the pay stub for the period including the employee's anniversary date	_____
Less: Leave accrued during the period in which the anniversary date falls	(_____)
Less: Annual Leave limit (408 general employees / 612 firefighters)	(_____)
Total Hours Forfeited (if positive)	_____

Accumulated earned annual leave time is paid for by the employing department when an employee is being separated from City service. The payout may exceed the maximum amounts of 408 for general employees and 612 for firefighters if the employee has accumulated addition leave since the hire date.



Annual Leave Accrual for Firefighters (48 hour shifts)

The basis for annual leave accrual for firefighters working 48 hour shifts shall be consistent with how accruals occur for other City employees and is determined by comparing the total number of hours scheduled in a year for a firefighter to that of a regular 40 hour per week employee. Firefighters are scheduled to work 2,880 hours, while regular employees are scheduled for 2,080 hours.

Each regular full-time firefighter working 48 hour shifts, who has been in the City service for a continuous period of one month, accrues annual leave, on 26 pay periods according to the schedule below:

<i><u>(Full-Time Firefighters)</u></i> <i>Years in Service</i>	<i>Accrual Rate of Annual Leave per Pay Period</i>	<i>24 Hour Days of Annual Leave Earned Per Year</i>	<i>Accrual Rate of Annual and Holiday (5.54) Hours per Pay Period</i>	<i>24 Hour Days of Annual and Holiday Earned Per Year</i>
0 - 9 9 - over	6.46 hours 9.69 hours	7 days 10.5 days	12.00 hours 15.23 hours	13 days 16.5 days

(*Based on 26 pay periods per year. For years with 27 pay periods, the accrual rate will remain unchanged.)

Accumulated earned annual leave time is paid for by the fire department when an employee is being separated from City service.

All leave in excess of 612 hours as of date of hire will be forfeited. Each year any forfeiture of excess annual leave hours will occur at the end of the next work period following the anniversary date.

Part-time Employees

Part-time employees do not accrue annual leave or sick leave. They are not entitled to any leave with pay, such as emergency leave. Any leave or time off taken by part-time employees is leave without pay.

Leave Donations

On occasion, an employee may exhaust their leave due to serious illness or injury. The Department Director may request the City Manager to allow other employees to donate unused annual leave to this individual. Upon City Manager approval of the request, employees wanting to donate hours of leave can complete the "Annual Leave Donation Authorization Form" and submit it to the Management Services Department.

For an individual with multiple occurrences, a separate donation request must be submitted by the Department Director for approval. Unused donations will lapse at the end of the occurrence. A separate "Annual Leave Donation Authorization Form" must be submitted for each occurrence.

Sick Leave

Purpose

As insurance against loss of income when employees are unable to perform their work because of illness or injury, sick leave with pay is provided each probationary or regular full-time employee.

Accrual

A forty (40) hour-per-week full-time employee shall accumulate sick leave at the rate of eight (8) hours for each full calendar month of service.



Firefighters working forty-eight (48) hour shifts shall accumulate sick leave at the rate of 12.5 hours for each calendar month of service.

Any time less than a month shall be pro-rated accordingly.

Sick leave may be accrued to any unlimited amount.

Use of Sick Leave

Eligible employees may begin to utilize their accrued sick leave any time after having completed one (1) month of satisfactory employment. Employees absent due to sickness must arrange for a telephone report to their supervisor, as dictated by department policy, but no later than one-half hour before the beginning of the work day of the first day of absence, and updated each day thereafter. Police Officers and Firefighters shall arrange a telephone report at least one hour prior to their shift.

When an employee earns call-back time and uses sick leave during the same work week, the employee shall deduct the call-back hours worked from their scheduled hours to determine the amount of sick leave which can be used.

Accrued sick leave may be used, with the approval of the Department Director, for any of the following purposes:

1. Illness or off-duty injury to the employee.
2. Injury while on duty.
3. Illness of immediate family members requiring the presence of the employee. Immediate family members are as follows: spouses, children, parents and any other dependents of the employee.
4. Quarantine because of contagious disease. A certificate of quarantine from the attending physician must be presented to qualify under this provision.
5. Visits to hospitals, clinics, dentists, etc., for diagnosis or treatment of illness or injuries, examination, and related purposes.
6. Leave granted under FMLA.

If an employee has an extended illness or injury which exceeds the number of hours the employee has accrued as sick leave, the employee may use annual leave during that illness/injury.

The Department Director may require that an injured or sick employee take sick leave and absent themselves from their place of employment. The Department Director may require anyone on sick leave to stay home or at some other approved location, i.e., hospital.

The City may determine that sick leave requests fall under FMLA.

Sick Leave Records

Official sick leave records are maintained by the Management Services Department. Use of sick leave must be promptly and accurately reported for all employees on the time card.

Abuse of Sick Leave

Evidence of bona fide illness or other reason for taking sick leave in the form of a certificate of illness or reason for sick leave may be required by the City whenever there are reasonable grounds to believe the employee is malingering or abusing sick leave privileges. No employee shall be entitled to sick leave while absent from duty because of a sickness or injury purposely self-inflicted or caused by willful misconduct. An employee will not be required to furnish



a doctor's certificate to substantiate a request for any one period of three days or less sick leave, unless there are reasonable grounds to believe the employee is abusing sick leave. The supervisor may require the employee to use leave-without-pay for unauthorized or unsubstantiated use of sick leave. Abuse of sick leave privileges may be considered as grounds for disciplinary action, including suspension or dismissal.

Unused Sick Leave Incentive

As an incentive to increase productivity of employees and encourage longevity within the City, once an employee has accrued the minimum hours of sick leave (240 for regular employees and 375 for firefighters) and at the employee's option, one-third (1/3) of all sick leave accrued between the first pay period ending in December of the preceding year and the last pay period ending in November of the current year, may be converted to annual leave, the cash value of the conversion may be paid to the employee, or the cash value of the conversion may be contributed to a City sponsored retirement account; subject to plan limitations. Cash value will be determined by the number of hours multiplied by the employee hourly wage, less applicable taxes. However, any sick leave used during the year will be deducted from that one-third (1/3). For example, if an employee uses one day of sick leave during the calendar year, the maximum number of days that may be converted to their retirement account is three days, with the remaining eight days accrued to the employees sick leave balance. Employees desiring to convert unused sick leave to annual leave or to their retirement account shall notify the Management Services Department on the appropriate form (See Forms - Sick Leave Incentive) prior to the deadline given each year. Conversion will be made prior to the end of the year.

This conversion is subject to annual budget appropriations.

Sick Leave Pay-out at Resignation, Separation or Retirement

Employees who resign their employment or separate under favorable circumstances shall be paid for any unused sick leave on the next regular scheduled payroll following separation, as follows:

<i>Balance of Accrued Sick Leave</i>	<i>Available for Payout</i>	<i>Example</i>
1a. 280 or Less	None	
1b. Firefighters 437 hours or Less	None	
2a. 281-360	15%	300 hours of accumulated sick leave will convert to 45 hours of pay off at the employee's current hourly wage at time of separation.
2b. Firefighters 438 - 563	15%	450 hours of accumulated sick leave will convert to 67 hours of pay off at the employee's current hourly wage at time of separation.
3a. 361- 960	25%	500 hours of accumulated sick leave will convert to 125 hours of pay off at the employee's current hourly wage at time of separation.
3b. Firefighters 564-1500	25%	750 hours of accumulated sick leave will convert to 187 hours of pay off at the employee's current hourly wage at time of separation.
4a. 961 or Greater	33.3%	1000 hours of accumulated sick leave will convert to 333 hours of pay off at the employee's current hourly wage at time of separation.
4b. Firefighters 1501 hours or Greater	33.3%	2000 hours of accumulated sick leave will convert to 666 hours of pay off at the employee's current hourly wage at time of separation.



Employees retiring under a City sponsored retirement program or in the event of an employee's death, will be compensated at a conversion rate of 33.3% of sick leave accumulated, regardless of the amount of sick leave accrued at time of retirement.

Firefighter figures are based on the fact that a firefighter earns 12.5 hours of sick leave each month instead of the 8 hours that are earned by other City employees.

Employees terminated for cause shall not receive a sick leave pay out.

Part-time Employees

Part-time employees do not accrue sick leave. They are not entitled to any leave with pay, such as emergency leave. Any leave or time off taken by regular part-time employees is leave without pay.

Family and Medical Leave of Absence

1. The City provides family and medical leave of absence, without pay, to eligible employees for their own serious health conditions; or who wish to take time off from work duties to fulfill family obligations relating directly to childbirth, adoption, or placement for a foster child; or to care for a child, spouse or their own parent with a serious health condition. A serious health condition means an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.
2. Eligible employees are those who have worked for the City for at least one year and worked 1,250 hours within the previous 12 month period. Eligible employees should make requests for FMLA leave to their supervisors at least 30 days in advance of foreseeable events. When 30 day notice is not possible, the employee must provide notice as soon as practicable and must comply with the City's normal call-in procedures.
3. Employees requesting FMLA leave related to their own serious health condition or the serious health condition of a spouse, child, or their own parent must submit sufficient information for the City to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of leave. Employees must also inform the City if the requested leave is for a reason for which FMLA leave was taken or previously certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.
4. Eligible employees may request up to a maximum of 12 weeks of family leave within a 12 month period. Any combination of FMLA leave and medical leave may not exceed this maximum limit. The City uses the rolling period to calculate this 12 week period. The rolling period method starts counting the FMLA period on the date the employee first uses FMLA leave. Eligible employees will be required to first use any accrued paid leave time before taking unpaid family leave. This accrued paid leave time will be included as part of the maximum twelve weeks leave. Married employee couples may be restricted to a combined total of twelve weeks leave within any 12 month period for childbirth, adoption, or placement of a foster child; or to care for a parent with a serious health condition.
5. To the extent the law requires, eligible employees with a spouse, son, daughter or parent on active duty or call to active duty status in the National Guard or Reserves in support of a contingency operation may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.
6. FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of



leave to care for a covered service member during a single 12-month period. A covered service member is a current member of the Armed Forces, including a member of the National Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the service member medically unfit to perform the duties for which the service member is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list.

7. During the single 12-month period for service member care leave, an eligible employee is entitled to a combined total of 26 workweeks of service member care leave and leave for any other FMLA-qualifying reason, provided that the eligible employee may not take more than 12 workweeks for any other FMLA-qualifying reason during this period. For example, in the single 12-month period an employee could take 12 weeks of FMLA leave to care for a newborn child and 14 weeks of service member care leave, but could not take 16 weeks of leave to care for a newborn child and 10 weeks of service member care leave.
8. So that an employee's return to work can be properly scheduled, an employee on FMLA leave must provide the City with at least two weeks' advance notice of the date the employee intends to return to work. When FMLA leave ends, the employee will be reinstated to the same position, if it is available, or to an equivalent position for which the employee is qualified.
9. If an employee fails to report to work promptly at the end of the approved leave period, the City will assume that the employee has resigned.

Benefits While On FMLA

1. *Health Insurance* - Roy City is responsible for the employer portion of health insurance premiums for a period up to twelve weeks, whether or not the leave is paid or unpaid. The employee is responsible for their portion of the premium. Deductions will be automatically made from the employee's wages as long as the employee is in a pay status. When paid leave is exhausted, the employee shall make payment arrangements with the Human Resources Coordinator. The employee's failure to pay their portion of the premium may result in the loss of health insurance benefits. Employees on FMLA may be required to repay premiums paid by Roy City during their leave if they fail to return to work after the leave period has expired.
2. *Dental, Additional Life, and Other Benefits* - Deductions for the full premium will be automatically made from the employee's wages as long as the employee is in a pay status. When paid leave is exhausted, the employee shall make payment arrangements with the Human Resources Coordinator. The employee's failure to pay the premium may result in the loss of insurance or service benefits.
3. *401 Loans* - Deductions for the full payment amount will be automatically made from the employee's wages as long as the employee is in a pay status. When paid leave is exhausted, the employee shall make payment arrangements with the Human Resources Coordinator. The employee's failure to make the payments may result in default of the loan agreement.
4. *Retirement* - If a full-time employee who takes FMLA leave receives sick leave and/or annual leave and participates in:
 - a) Public Employees Retirement System;
 - b) Public Safety Retirement System;
 - c) Firefighters' Retirement System;
 - d) ICMA Retirement;

The City will continue to submit retirement contributions during the period the employee is on FMLA leave. Otherwise, benefit accruals such as sick or annual leave, or holiday benefits, will be suspended during the FMLA leave and will resume upon return to active employment.

5. *Anniversary Date and Merit Increases* - Adjustments to the employee's anniversary date will not be made as long as the employee is in a paid leave status. If paid leave is exhausted, the employee's anniversary date



will shift forward by the number of days they are on non-pay status. (For example, if an employee takes seven weeks of FMLA and only has three weeks of vacation and sick leave combined, the anniversary date would be adjusted by four weeks.)

Leave Without Pay

A leave of absence without pay is a pre-approved temporary absence from work in which the employee does not lose status as a regular employee. An employee must first use all accrued annual leave before leave without pay will be granted (Exception: see Military Service). If the leave is for health-related reasons, all accrued sick leave must also be used before leave without pay will be granted.

Requests for Leave Without Pay

In order to be considered for leave without pay, an employee must present a written request to their Department Director. To be eligible for consideration, employees must state in writing the reason for the requested leave, the date the leave is to commence and the date on which the employee expects to return to work. Department Directors should consider individual requests in view of urgency, the individual's length of service, and the over-all effect the absence will have on the operation of the department. Leave without pay may be granted for up to 12 months (including unpaid FMLA leave) upon approval by the City Manager. Such leave, beyond that provided by the FMLA, shall not be regarded as an acquired right by employees and may be granted only when it is determined that City services will not be adversely affected. The employee's merit date will be extended by the length of time that the employee is on unpaid leave.

Penalty for Failure to Report at End of LWOP

Leave without pay shall not be granted unless there is a positive expectancy that the employee will return to work at the expiration of such leave. Failure of an employee to report to work promptly at expiration of the approved unpaid leave period shall be considered a resignation, unless there are extenuating circumstances and approval of the City Manager.

Employee Benefits While On LWOP

Except as provided under the FMLA, all employee benefits shall cease to accrue or be in effect immediately upon commencement of the leave without pay period. Health insurance benefits may be continued during the leave period if the employee pays the full premium for the days the employee is on leave without pay. If an employee does not elect to continue health insurance coverage during leave without pay, it will be necessary to reapply for health insurance upon return from leave. The preexisting condition clause in the health insurance coverage may apply.

If an employee returns to work on a less than full-time basis following a leave without pay, with the intention of returning to full time, the employee may become eligible for full benefits, including health insurance, if the employee's Department Director and the City Manager determine it is reasonable to return the employee to full benefits status based upon the amount of time being worked by the employee and the duration of the less than full-time status.

Compensatory Time

See Compensation and Overtime Policy #1301.

Funeral Leave

Leave with pay may be granted to employees at the discretion of the Department Director to attend the funeral of a family member. Family member in this policy shall mean; spouse, children, parents, grandchildren, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandparents, brothers, sisters, half-brothers, half-sisters, step-fathers, step-mothers or step-children of the employee. Such leave shall not be charged against accrued sick or annual leave. Funeral leave taken must be clearly indicated on the employee's timecard. This can be done either through the addition on our time sheet of a funeral leave column, or by a note in the "comments" section identifying the hours



taken as funeral leave. Funeral leave taken will **not** be counted as hours worked for overtime purposes. Thus, it will be treated similarly to annual and sick leave for overtime calculations. The amount of time granted will be governed by the individual circumstances and will normally be one (1) day, but shall in no case exceed three (3) working days. Department Directors and the City Manager shall have the discretion to attend funeral/viewing services as representatives from the City. One day shall be considered (8) hours for a (40) hour-per-week employee and (24) hours for firefighters.

Military Leave

An employee who, pursuant to military orders, enters active duty, active duty for training, inactive duty training, or state active duty shall upon request be granted a leave of absence from employment, but for no more than five (5) years or as required by state and/or federal law.

1. a. Any regular full-time employee who is a member of the National Guard or military reserve unit and has official orders, without loss of pay or loss of annual or sick leave accrual, is entitled to military leave not to exceed 11 regularly scheduled working days (88 hours) per year. Leave in excess of this amount must be taken as annual leave, or leave without pay.

b. Any full-time firefighter who is a member of the national guard or military reserve unit and has official orders, without loss of pay or loss of annual or sick leave accrual, is entitled to military leave not to exceed 3 regularly scheduled 48 hour shifts (144 hours) per year. Leave in excess of this amount must be taken as annual leave, or leave without pay.

The days/shifts per year of military leave which the City allows its employees will be based upon the military year, which is currently October 1 to September 30. Employees may be given the applicable amount of military leave in each military year.

2. Employees qualified for military leave who are called for service beyond the time allotted in paragraph 1 are not required to use their annual leave before using leave without pay, but may do so if they desire. (Note: This is an exception to the regular Leave Without Pay policy, see above.)
3. Qualified employees are required to use accrued sick leave if the leave extends beyond the allotted time and arises out of an illness or injury which renders the employee incapable of performing their usual duties.
4. Qualified employees may not use accrued sick leave during a military leave unless the leave is in some way related to a health problem.
5. If an employee is on military leave beyond the time allotted and is not using accrued annual or sick leave, that employee will be in a leave-without-pay situation and will be governed by the appropriate policies regarding leaves without pay.
6. Employees called to active military service are covered under Uniformed Services Employment and Re-employment Rights Act (USERRA) and are entitled to re-employment privileges. See Re-employment Policy (#1103), "Military Reservists on Active Duty" section of Retirement Policy (#1203) and "COBRA" section of Benefits Policy (#1201).

Employees are required to notify their supervisor immediately upon receiving orders from the military to allow arrangements to be made to accommodate their absence. The employee must submit Form DD-214 to their Department Director and the Human Resources Coordinator at the time orders are received and again at the time of their return.

Jury Duty and Court Leave

Regular full-time employees who are summoned to serve on a jury, or required by subpoena to appear as a witness, shall be entitled to their regular compensation if their appearance is during regular duty hours, provided they give any



reimbursement received from the court to the City.

Employees are expected to report daily for work before and after jury or witness service, when possible.

Time absent by reason of subpoena in private litigation or by some party other than the United States, the State of Utah or a political subdivision thereof, to testify not in an official City capacity, shall be taken as annual leave or leave without pay.

Employees with other employment which may require court appearances shall not be paid for City time used to fulfill that obligation.

Administrative Leave

Additional administrative leave and leave-with-pay may be granted by the City Manager for circumstances not enumerated herein.

Department Director Notification of Leave

All Department Directors should notify the City Manager of the times and reasons they will be away from the office for annual leave involving more than 4 hours away from the office. Notice should be given as soon as is possible.

If a Department Director is sick and will not be at work, the Department Director should notify the City Manager's office as soon as is possible.



1203 * RETIREMENT CONTRIBUTIONS

All City employees participate in Social Security. Full-time employees eligible for retirement benefits participate in the State Retirement System and/or an alternate retirement system. The City Council shall determine retirement contributions made by the City for full-time employees. At a minimum, the City shall contribute the mandatory state requirement.

Employees in certain administrative or elected positions may have an option to exempt themselves from the State Retirement System and have an equal amount deposited into an ICMA 401(a) account instead.

Detailed information about these systems and enrollment procedures may be obtained by contacting the Management Services Department.

Employees considering retiring should contact the Management Services Department as soon as possible to discuss health care and other options before they set a retirement date.

Military Reservists on Active Duty

The City will continue to make retirement contributions as required by law while an employee is on active military duty.



1204 * SEVERANCE PAY

In the event that an executive staff employee (City Manager, appointed Department Director or exempt Deputy) is terminated, the employee shall receive a lump sum cash payment equal to six (6) months of salary (not including benefits); unless terminated for cause as set forth below. Benefits will not be included with the severance pay, except those required by law, i.e., Social Security, Medicare, etc.

In the event the City Council reduces the salary or other financial benefit of an executive staff employee in a greater percentage than an applicable across the board reduction for all City employees or the employee resigns following a suggestion, whether formal or informal, by the City Manager, Mayor or Council that he resign, then the employee may, at their option, resign and be eligible for the severance pay.

Severance pay will not be granted to the following individuals:

1. An executive staff employee who at the time of separation of employment, has been convicted, indicted, charged or is under active criminal investigation concerning a public offense involving a felony or moral turpitude. This provision shall not restrict the award of the severance pay should such a person subsequently be found not guilty of such charge or if the charges are otherwise dropped.
2. An executive staff employee who has been requested to resign under bona fide charges of nonfeasance, misfeasance, or malfeasance in the office.



1205 * HOLIDAYS

Holidays

The City shall observe the following holidays:

New Year's Day	January 1 st
Martin Luther King Day	3 rd Monday of January
Presidents Day	3 rd Monday of February
Memorial Day	Last Monday of May
Independence Day	July 4 th
Pioneer Day	July 24 th
Labor Day	1 st Monday of September
Columbus Day	2 nd Monday of October
Veteran's Day	November 11 th
Thanksgiving Day	4 th Thursday of November
Day after Thanksgiving	4 th Friday of November
Christmas Day	December 25 th

In the event a holiday falls on an employee's regularly scheduled day off, the employee shall elect to be granted equivalent compensatory or annual leave. In the event a holiday falls on a Saturday, the employee will receive the preceding Friday off. If a holiday falls on a Sunday, the employee will receive the following Monday off.

Full-time employees, excluding firefighters, are paid for holidays based on an 8 hour work day regardless of the number of hours the employee is normally scheduled to work. When an employee, other than a Firefighter, is required to work on a holiday, the employee will receive regular wages plus be compensated 8 hours for the holiday. The method of compensation will be at the Department Directors discretions and will be one of the following:

- Regular pay at the employees current hourly rate
- Compensation time
- Annual leave

Firefighters who work a 48 hour shift shall receive 12 hours regular pay credit per month. (5.54 hours per pay period). Firefighters working less than a full month shall have their pay credit prorated accordingly. For holidays worked, firefighters shall be paid at their regular rate of pay.



1206 * UNIFORM ALLOWANCE

Certain positions throughout the City are required to wear a City approved uniform as specified in departmental policy. One of the primary purposes of the uniform is to readily identify the City employee to the public. Uniforms shall be maintained in a neat, clean condition so as to bring credit to the employee and to the City. The uniform allowance described herein is intended to be used solely toward the purchase and maintenance of uniforms.

Regular employees in Police, Fire, Public Works and Development Services who are required to wear identifying uniforms shall be compensated an additional sum for a uniform allowance, over and above the salary specified for their position. The City Manager under the advice of the Department Director may designate any other employee eligible to receive a uniform allowance.

A uniform allowance amount shall be established annually in the approved budget.

Uniform allowances are advances which shall be made in semi-annual payments. One payment shall be for January 1st through June 30th and will be paid on the second pay day in January of each year. The second payment shall be for July 1st through December 31st and will be paid on the second pay day in July of each year.

Except for newly hired police officers, eligible newly hired employees in a department listed above are eligible to receive a uniform allowance as of their hire date. The amount will be pro-rated based upon the number of half months employed in that semi-annual period, and will be included on the employee's first regular pay check. (Example: An employee hired during the first half of March would receive 4/6ths of the semi-annual amount. An employee hired after the 15th of the month would only receive one-half of that month's allowance.)

Due to the high cost of police uniforms and related equipment, newly hired police officers are eligible to receive one-half of the annual police uniform allowance upon hire. The remaining half of the annual uniform allowance will be pro-rated based upon the officer's hire date. (Example: A police officer hired in March would receive a full semi-annual police uniform allowance (6/6ths) upon hire. On the second pay day in July, the officer is eligible for a pro-rated portion of the second half of the police uniform allowance based upon the actual number of months employed by the Police Department. In this case, the officer would receive 4/6ths of the second half of the uniform allowance.)—The Police Department pays for uniforms directly and tracks the expenses by employee to ensure each employee does not go over their allocated uniform amount.

Uniform allowance payments are considered by the IRS as taxable income and will be included on the employee's W-2 form unless properly accounted for to the employer. Employees may reduce the amount reported on the W-2 by submitting a Report of Actual Allowance Expenses (see Forms) along with the required documentation. The report must be submitted to the Management Services Department no later than November 15th each year and may include expenses from November 16th of the prior year to the date of the report.

Expenditures that can be accepted on the Report of Actual Allowance Expenses must meet the IRS regulations, which are in general:

1. The purchase must be for an item that is "Specifically required as a condition of employment" (items which are optional choices by the employee are not permitted); and
2. May not be of a type adaptable to general or continued usage to the extent that it can take the place of regular clothing.

If the item purchased does not meet these two standards, it cannot be used to reduce the amount reported to the IRS on the W-2. The Department Director will determine what items meet the criteria.

Any amount of unearned prepaid uniform allowance shall be deducted from an employee's last pay check upon separation.



Safety Glasses

Employees may receive reimbursement up to \$50 annually for prescription safety glasses that are required for job performance duties. A receipt showing the date of purchase and cost must be submitted to the risk manager. This reimbursement is based upon funding of the program. Pre-approval should be obtained from the Department Director to verify need and available funding.



1207 * WORKERS COMPENSATION

City employees experiencing job-related injury or illness are covered by workers' compensation insurance, as provided for by State Law.

Reporting Job Related Injuries and Illnesses

All job-related injuries and illnesses **must** be reported in a timely manner:

Minor injuries and illnesses shall be reported to the employee's supervisor prior to obtaining medical treatment and within 24 hours after the occurrence. Employees should report to the medical facility required by the worker's compensation insurance carrier and the City for minor injuries during working hours.

Serious injuries, illnesses and fatalities shall be reported to the supervisor, Department Director, City Manager, and the City Attorney **immediately**. For serious injuries, or for injuries sustained after the medical facility operating hours, employees should be seen at the hospital emergency facility required by the workers compensation insurance carrier.

The "First Report of Injury" form (see Forms), including both the employee and supervisor sections shall be completed and forwarded to Risk Management Department within 48 hours of the occurrence. If the employee is unable to complete the employee section for any reason, the supervisor shall complete the form.

Those employees not reporting injuries within the specified time period may forfeit any rights to compensation under workers compensation law.

Designated Health Care Providers

According to the Utah Workers' Compensation Act, the City may designate health care providers to provide employees with initial treatment of job-related injuries and illnesses that are not life or limb threatening. Information regarding current designated health care providers can be obtained from the Risk Management Department.

Treatment of Job Related Injuries and Illnesses

Injured employees are permitted by law to obtain medical care from a physician of their choice only after being seen by the designated health care provider. If an employee is treated by an unauthorized medical provider, the employee will be responsible for payment of that treatment. The City recommends using local urgent care facilities if the injury occurs during the time the facility is open. Local facilities include:

WorkMed (IHC) Hinckley Drive Location
1355 West 3400 South
Ogden, Utah 84401
801-387-6150
Monday – Friday 7:30 a.m. to 5:30 p.m.

Herefordshire InstaCare
1915 West 5950 South
Roy, Utah 84067
801-387-8100
Monday – Friday 8:00 a.m. to 9:00 p.m.
Saturday 9:00 a.m. to 9:00 p.m.
Sunday 1:00 p.m. to 5:00 p.m.

In the event of a life or limb threatening emergency, employees should be sent to the nearest hospital emergency facility with the capability to treat the injury or illness.



Workers' Compensation Leave Options

Employees who are qualified for workers compensation benefits and who are unable to attend work because of job related injury or illness may select one of the following leave options upon commencement of workers compensation benefits.

1. Workers' Compensation Leave Without Supplement Pay - Employees receive worker's compensation benefits for lost work time and do not use accrued sick leave or vacation and do not receive regular pay. Employees continue to receive all benefits at the city's current rate and contribution level.
2. Workers' Compensation Leave With Supplement of Sick and/or Annual (if accrued) - Employees may supplement worker's compensation benefits with accrued sick leave and/or annual to receive their regular amount of pay. Employees will continue to receive all benefits. Once leave balances are exhausted, the employee shall be entitled to benefits as described in paragraph 1 above. An employee injured on the job as a result of that employee's negligence may not be allowed to supplement worker's compensation benefits with sick leave or annual.

Under both options above, the employee shall pay the established monthly employee contribution for benefits. Retirement benefits shall be paid on the employee's base wage at the time of the injury.

Employees are required to use accrued leave while off work due to job related injury. In the event worker's compensation benefits are granted through the City's insurance carrier, the employee shall notify the Risk Management Department of any compensation received. At that time, the employee may be credited back a portion of leave used. Worker's compensation benefits will begin on the fourth consecutive day off. See Return to Work After Serious Illness or Injury (#1109).

Under no circumstances shall an employee be permitted to receive more net income as a result of a job-related injury or illness than they received prior to the injury or illness. Net income is defined as gross income less any required deductions.

If, during working hours, an employee has an appointment scheduled with a medical services provider related to a worker's compensation illness or injury, that employee is expected to take sick leave as if it were for any other illness or injury.

Employee Right to Return to Work

In instances where employees are injured through the course of their employment, and are covered by worker's compensation, the employee's right to return to work is governed by the following conditions:

Within a one-year period, employees on approved workers' compensation leave status shall be entitled to the previous position held or one with equivalent pay as determined by the City. The City may require medical evidence upon which to make a judgment of ability to perform the essential functions of the employed position.



1208 * HEPATITIS VACCINATIONS

All employees who are currently, or who will in the future be employed in the following listed positions are required to be vaccinated against the Hepatitis virus in whatever manner is determined by the City to be most appropriate. If a present or future employee elects not to have the appropriate vaccinations against the Hepatitis virus, they must sign a Hepatitis Vaccination Release Form (see Forms) releasing the City from any liability with regard to their contracting the Hepatitis virus and any and all costs associated with their contraction of that disease.

The employees who will be affected by this policy are those who currently, or in the future will, fill the following positions: Fire Chief, Deputy Fire Chief, Fire Marshall, Fire Captains, Paramedics, Firefighters, Part-time Firefighters, Sworn Officers in the Police Department, employees of the Water and Sewer Department, and other employees as deemed necessary by the City Manager.

Employees under 18 years of age need parental approval to receive the vaccinations.



1209 * COMMERCIAL DRIVERS LICENSE

Any employee that drives equipment over 26,000 pounds in weight, or which carries hazardous materials or 16 or more passengers, shall obtain a Commercial Driver's License (CDL). The procedures to be followed in obtaining a CDL include taking a written test, a driving test, and obtaining a DOT medical card, which requires a physical examination.

The City will pay the costs of obtaining a CDL for employees in positions that require a CDL license. This includes the cost for the CDL driver's license testing which is over and above regular license fee, and the cost of the physical examination to obtain and maintain the DOT medical card.

Each department is required to maintain a current list of positions within each department which require a CDL, as well as any necessary endorsements. The City will pay the total amount for required endorsements, i.e. tanker, hazardous materials, etc., if required by the employee's position, but will not pay for endorsements which are not required by the employee's position with the City. By Federal law, firefighters are exempted from the requirement for a CDL.

Employees with CDL licenses should refer to the Federal Motor Carrier Safety Administration: Requirements and Penalties.



1210 * EDUCATIONAL ASSISTANCE POLICY

It is the general policy of the City to encourage full-time employees to engage in educational and training opportunities which have been approved as being directly related to their present work assignments. The City may provide financial assistance to an employee enrolled in educational courses directly related to their assigned duties with the City, subject to annual appropriation by the City Council. By the submission of a written request by the employee showing all the anticipated expenses and upon the approval of the Department Director and the City Manager, the City may pay up to 60% of the cost of tuition and required fees related to registration for courses up to a maximum of \$2,000 per fiscal year. Reimbursement will not be considered for the cost of lab fees, books, or any fees that are not required as part of registration.

To be eligible for such assistance, employees shall:

1. Submit an "Application for Tuition Assistance" (see Forms) for approval by the Department Director and City Manager;
2. Pay the tuition in advance;
3. Complete the course(s) or degree within the required time frame set forth by the Department Director and City Manager in the application;
4. Achieve a passing grade of at least a "B" or equivalent for the approved course(s).
5. Submit a Request for Reimbursement for Tuition (included on the original Application for Tuition Assistance) along with receipts to the Department Director after completion of the educational course(s); and
6. Agree to remain an employee of the City for at least one year after the completion of the approved educational course(s).

In the event the employee fails to meet the above criteria, that employee must refund all amounts paid by the City for the educational course(s).

The City Manager, in consultation with the Department Director, may authorize payment in full for testing for classes which are successfully challenged by test.

Procedure

Prior to receiving any reimbursement, an employee must submit to the Department Director and the City Manager the course outline together with the Application for Tuition Assistance. This application shall be filed in duplicate, with both being signed by the applicant. The employee must also confirm in writing, that; in the event repayment of tuition assistance is required as herein provided, the repayment may be withheld from the employee's final paycheck, leave conversion or severance pay.

Once this form is submitted, it will be reviewed by the Department Director and the City Manager. One signed copy will be retained in the Management Services Department and one will be returned to the employee. When the course is completed, within five (5) working days of transcript availability the employee will submit a copy of the transcript to the Department Director who will verify that the grade received for an approved course is a "B" or better. If the grade is lower than a "B" or equivalent, the Department Director will notify the employee that no reimbursement will be given for this course(s). If the grade is a "B" or better, the employee will return the Request for Reimbursement for Tuition form to the City Manager for reimbursement. The City Manager will forward the application to the Management Services Department for payment to the employee. The grade report shall be kept in the employee's personnel file.



An employee receiving educational assistance must remain an employee of Roy City for at least one year after the completion of any course for which reimbursement was paid. If an employee separates from service with the City within that year, they must repay the entire amount of tuition assistance contributed by the City for course(s) paid during this time period. Such reimbursement to the City shall be made in full prior to the employee's separation from service with the City. Repayment prior to separation may include withholding funds from the employee's final pay check, leave conversion or severance pay. These options shall be at the City's discretion to exercise.

The above policy does not apply to certifications or other educational classes the City requests an employee to attend.



1211 * TRAVEL EXPENSES

Same Day Travel - Mileage Only

The Mileage Reimbursement Request form (see Forms) shall be used any time an employee uses their own vehicle for required City business. The only expense reimbursable with this form is mileage. If an employee is on City business in their own vehicle and incurs expenses beyond mileage (i.e. meals), then the employee shall use the "Request for Travel Reimbursement" form (see Forms).

Other Travel Expenditures

Two different forms may be used for travel expenditures. The "Request for Travel Advance" form (see Forms) shall be used when the employee has not yet incurred the travel expenditures and requests funds in advance of travel. Expenditures should be estimated as accurately as possible. Any advance will be deducted from the amount requested after travel is complete and additional reimbursement requested. The "Request for Travel Reimbursement" form shall be used when the employee has incurred the expenditures and requests reimbursement. Any overnight travel requires prior approval by the Department Director and City Manager, which can be obtained with the Request for Travel Advance form.

Transportation

The employee and Department Director should decide the most feasible mode of transportation by considering travel time, cost, and convenience. If the employee chooses a mode of transportation only for their personal convenience, then they will be reimbursed for the cost of travel that would have been most cost efficient for the City. Air travel should be planned far enough in advance to take advantage of discounts for early arrangements.

Meals and Incidental Expenses

The City's meals and incidental expense (MI&E) per diem varies according to destination and shall be consistent with the Federal per diem rates for CONUS (continental U. S.). Rates are set by the federal government's fiscal year and run October 1st through September 30th and can be found at www.gsa.gov. A standard CONUS rate applies to all destinations not specifically listed and is included in the rate table. Employees traveling on City business will be allowed the full MI&E per diem for each travel day, exclusive of the first and last days. Regardless of how many hours an employee works or travels on their *first and last day of official travel*, employees are authorized to receive 75 percent of the applicable M&IE rate provided they meet all requirements.

An employee must meet the following requirements to receive any type of per diem reimbursement:

1. Perform official travel away from the City; and
2. Incur per diem expenses while performing official travel; and
3. Be in a travel status for more than 12 consecutive hours.

The GSA (Government Services Administration) also provides a breakdown of each component of MI&E per diem rates. In general breakfast is 19%, lunch 30%, dinner 51%, and incidentals \$3. In the event an employee is reimbursed for a specific component of per diem, the aforementioned rates should be applied after deducting \$3 for incidentals. Meals shall not be reimbursed unless the employee's destination is more than 25 miles from the City.

Lodging

Lodging receipts shall be turned in for reimbursement of actual expense for the authorized traveler. Employees should select reasonable accommodations that will best facilitate the intended business and which are approved by the Department Director. For employees who use their own accommodations (i.e. travel trailers, motor homes, or staying with friends or family) the City will pay \$35 per night in lieu of commercial lodging. Receipts must indicate dates stayed, costs, name, and location of facility.



Mileage

Employees will be reimbursed pursuant to IRS and federal guidelines for mileage when using their personal vehicle for travel. The report must be submitted within 60 days of the expense and must be substantiated by adequate records including: the number of miles driven; the time and place of travel; and the business purpose of travel. The final report for the year is due by the end of the last pay period in December and shall include all mileage through that date. Mileage incurred prior to that time which is not reported is not reimbursable.

Department Directors who are paid a monthly travel allowance, shall not be reimbursed mileage unless their destination of 100 miles or more from the City one-way. In those situations where their approved destination is in excess of 100 miles from the City, Department Directors will be reimbursed for all miles including those within the 100 mile radius at the established rate.

Miscellaneous

Items such as parking, tips, etc. shall be itemized. No expenditure over \$10 will be reimbursed without a receipt.

Business Expenditures

Actual receipts or an itemized statement shall be submitted for business expenditures related to the promotion of the City. (i.e. purchasing a meal for a business associate that will benefit the City)

General Information

All forms shall be filled out completely as applicable to employee travel. Required receipts for expenditures incurred shall accompany the request form. Approval for travel and/or reimbursement shall not be given until all information is documented. All completed forms should be given to the Accounts Payable Clerk for processing.

Utah State Travel Service

The State of Utah has contracted with a local travel agency referred to as the State Travel Service to obtain travel arrangements at government rates and the City may receive services through this state contract. Employees may use the State Travel Service for City travel whenever possible. To use this service, call 801-538-3350.



1213 * FLEXTIME

Flextime is an arrangement that allows employees to adjust the start times, end times, or lunch times around the employee's regular work time schedule. The total number of hours worked does not change. A flextime schedule is not appropriate for all positions, for all employees, or for all settings. Flextime should not affect the workload or productivity of the employee or other co-workers.

Flextime may be granted by Department Heads or supervisors when it is reasonable or practical to do so and where operational needs will not be affected. Because services may vary within each department, not every employee will be able to work similar flextime schedules. Flextime is a privilege and may be taken away at the supervisor's discretion.

With flextime, nonexempt employees are still subject to all of the requirements of the Fair Labor Standards Act. Employees who are exempt from the Fair Labor Standards Act are expected to work whatever number of hours that are required to accomplish their job duties and may be permitted to set their own schedules.



1214 * FRINGE BENEFITS

Fringe Benefits are a form of pay (including property, services, or cash equivalent) in addition to salary for the performance of services.

Non-Taxable Fringe Benefits

De Minimis fringe benefits include property or services provided to an employee infrequently and has a value so small that accounting for it is administratively impractical or unreasonable. Examples include occasional group meals, employee parties, or occasional personal use of the City's computer or copy machine, etc.

Taxable Fringe Benefits

Any prizes or awards from the City to an employee in recognition of an achievement in connection with employment must be included in the employee's wages/salary. Cash or gift cards are always taxable regardless of the amount and must be included in an employee's taxable income. The value of the amount of cash or gift certificate is readily apparent and easy to track.

Taxable fringe benefits must be reported to the Management Services Department. The Management Services Department can help with any questions or reporting procedures.



1301 * COMPENSATION AND OVERTIME

It is City policy to pay City employees fairly and to ensure that their pay is consistent with the amount of work and degree of responsibility required in their jobs. It is policy to have established job classifications, with salary ranges for classified and exempt hourly and salaried employees to provide for different rates of pay for positions requiring a different amount of responsibility, experience, skills and knowledge. This will permit individual employee consideration so that each person is paid according to responsibilities and performance. The City will maintain a salary administration program which will provide for payment of salaries comparable to those paid for similar positions and provide for recognition of and reward for differences in individual ability and performance. A compensation schedule shall be adopted and amended from time to time as determined necessary by the City Council. Salary changes will ultimately be determined based upon the City budget.

Compensation

Compensation of employees shall be pursuant to a properly adopted compensation schedule, except for exempt and appointed employees who shall be paid pursuant to contract or an exempt employee's compensation schedule. Except for exempt supervisory and appointed employees regular compensation shall be based on a 40-hour workweek, except firefighters shall be compensated on a 96 hour 12-day work period basis. Except for call-back on days off and vacation or leave time days, those employees who return to work after completing their regular work period shall be given a minimum of one hour call-back time with additional time thereafter calculated in the regular manner. Except for Fire Department personnel, call-back on days off or vacation or leave time shall be only when necessary and the employee shall receive a minimum of two hours of work time credit with additional time thereafter calculated in the regular manner. Employees in the Public Works Department designated as standby for emergency status shall be paid for the hours worked as provided herein and in addition shall be paid 4 hours regular pay or granted four hours of compensation time for each 24-hour period they are placed on standby on Saturdays, Sundays or holidays. On-call time shall not be included in calculating overtime during the workweek, except actual time worked while on-call status shall be used in calculating work time during the work period.

Compensatory Time Record Keeping Requirements

The time sheet records shall indicate overtime hours worked. When compensatory time is given for overtime work, time sheet records shall show the number of compensatory time hours accrued by each non-exempt employee. The Finance Clerk shall calculate the overtime or compensatory time hours worked at the appropriate rate. These records shall be signed by the Department Director or supervisor.

Merit Pay Adjustments

Recommendation for a merit pay adjustment shall be made at the time of the employee's Annual Performance Evaluation which occurs on the employee's full time hire/promotion date. It shall be based upon weighted performance factors to include job knowledge, attitude/cooperation, work habits, safety and risk management, goals and supervisory ability, as the above factors are applicable, and general overall job performance.

In making the recommendation for a merit increase, the Department Director along with the employee's supervisor shall consider compliance with City policies and procedures, performance, level of competency and job knowledge. A merit increase will be allowed up to the maximum set by the City Council and is subject to annual budget appropriation. During the annual budget process, and at the discretion of the City Council, the implementation date of a merit pay adjustment may be altered. Alteration of the implementation date does not eliminate the eligibility criteria, and requires the employee to be at a passing level of performance and competency when the merit is put into effect. Employees not meeting a passing level of competency will be subject to the re-evaluation procedures stated in Policy 1701 * Performance Evaluations. An employee must be employed on June 30th to be eligible for the merit pay increase in the subsequent fiscal year.

Salaries shall not be increased beyond the established salary range for the position. In some cases, employees may be so near the top of the salary range that they are unable to receive all of the recommended merit percentage



increase before they reach the maximum. In those cases, employees will receive a partial bonus if the merit is less than the bonus, not to exceed the merit amount.

Cost of Living Adjustments

In order for employees to maintain constant buying power in the face of either economic inflationary or recessionary periods, the Compensation Plan shall be reviewed and adjusted as deemed appropriate by the City Council. This shall not relate to merit pay adjustments.

Overtime

Both the Federal Fair Labor Standards Act and Utah State Law as determined to be applicable to Roy City shall regulate overtime. The following positions are considered exempt and are not entitled to compensation for working in excess of the regular work periods: City Manager, Police Chief, Fire Chief, Public Works Director, City Attorney, Management Services Director, Justice Court Judge, Parks & Recreation Director, Community & Economic Development Director, Deputy Police Chief, Deputy Fire Chief, Deputy Public Works Director, and Deputy Parks & Recreation Director. All other full-time positions are entitled to overtime compensation.

For non-exempt employees, all hours of work officially ordered and/or approved in excess of 40 hours per week are overtime. For firefighters working 48-hours shifts, overtime is based on any hours worked over 91 in the 12 day work period. Hours worked shall not include holiday, vacation, compensatory time or sick leave hours. Overtime hours shall be paid on a time and one-half basis. At the discretion of the Department Director and concurrence of the employee, and as allowed by law, compensatory time may be credited at the rate of one and one-half hour for each hour of overtime worked.

Overtime Provisions under Grants and Agreements

Overtime may be paid at time and one-half during a work period which includes a holiday or leave hours if the program requiring the overtime is funded by a grant or provided for in an agreement. The grant shall provide for the overtime at time and one-half. Overtime under these conditions shall be approved by the Department Director in advance and shall not exceed the amount of reimbursement.

Compensatory Time

The maximum accumulation of compensatory time is 80 hours. Firefighters cannot accrue compensatory time. Prior to the end of the pay period that includes December 1st each year, all compensatory time must be used or the employee shall be paid at the overtime rate when earned. Compensatory time will not be allowed to be carried beyond December 1st, unless it is earned during the pay period that includes December 1st. Payment for unused compensatory time will be made on a separate payroll check in the next subsequent pay period. In the event of separation, payment for unused compensatory time shall be made on the final check.

Holiday Time

For pay purposes, holiday time not actually worked will be paid at straight time and will not be included as time actually worked for overtime calculation. For time worked on a holiday, the employee has the option to receive pay at their regular hourly rate, or compensatory time if approved by his Department Director, or credit 8 hours to their annual leave if full-time or 12 hours if a fire-fighter.

Pay Checks

Roy City pays on a bi-weekly schedule (26 paydays per year). Pay checks are issued every other Friday through direct deposit. The employee will receive a paper or electronically distributed pay stub showing gross pay, withholding, and net pay. When a payday falls on a holiday, checks will be issued the work day before the holiday. If the holiday falls on the Thursday before payday, checks will be issued the banking day after the holiday. Clothing allowance checks will be issued separately on the first full payday of January and July. Issuance of pay checks prior to the days stated



above shall be made only in emergency circumstances and only upon the approval of the Department Director. (Employee vacations are not considered emergency circumstances.) The Department Director can arrange for early issuance of an employee's check by notifying the Finance Clerk by the end of the pay period and at least two work days prior to the date the check is needed.

Most payroll deductions will only be withheld from the first two paychecks of the month. When three paydays fall within one month, there will be no deduction for health, and life insurance, automobile insurance, or other predetermined amounts on the third pay check.

Personnel Action Form

All personnel action forms and performance evaluations which are to take effect for the pay period shall be submitted to the City Manager by **11:00 a.m. on the Wednesday before the end of the pay period**. The Management Services Department must have the personnel action form by the Thursday before the end of the pay period. Personnel action forms received after this time will be included in the following pay period with the appropriate back pay calculations.

Time Sheets - Recording Work Time

Time sheets are to be completed by each non-exempt City employee, reviewed by their supervisor; and signed by the Department Director. Time sheets must be a true and accurate reflection of actual time worked and leave balances used. Departmental time summaries shall be turned in to the Finance Clerk by 1:00 p.m. on the Monday following the conclusion of the pay period. If Monday is a holiday, time sheets shall be turned in by 10:00 a.m. on Tuesday. Time sheets turned in after this deadline or not completed correctly may result in a delayed paycheck.

Work time shall be recorded in quarter hour increments. Time worked shall be rounded up to the next quarter hour after 8 minutes have been worked in that quarter hour.

Examples:

<u>Time Worked (Inclusive)</u>	<u>Time Recorded</u>
7 hrs 53 min thru 8 hrs 7 min	8.00 hours
8 hrs 8 min thru 8 hrs 22 min	8.25 hours
8 hrs 23 min thru 8 hrs 37 min	8.50 hours
8 hrs 38 min thru 8 hrs 52 min	8.75 hours

Work Periods

The work period for regular Roy City employees is a 7 consecutive day work period beginning Saturday at 12:00 a.m. and ending Friday at 11:59 p.m. The work period for regular fire department 48 hour shift personnel is a 12 consecutive day work period.

Compensatory Time Record Keeping Requirements

The time sheet records shall indicate overtime hours worked. When compensatory time is given for overtime work, the time sheet shall show the number of hours worked by each non-exempt employee with an indication that the hours are to be added to the compensatory time bank and not paid out as over-time. The payroll system shall calculate the overtime or compensatory time allotted to the employee at the appropriate rate. The time sheet shall be utilized to indicate when accrued compensatory time is used by nonexempt employees. These records shall be signed by the Department Director or supervisor.

Call-back Pay

The provisions of this section shall apply when an employee is called back to work an unscheduled period.



Regular. All time worked during call-back shall be paid at the normal rate and shall be counted in the determination of overtime for FLSA purposes. Overtime rates will apply if the employee has exceeded the regular weekly work period of 40 hours for regular employees, and 96 hours in a twelve day period for Firefighters. Individuals on sick leave shall not be eligible for call-back.

Regular Call-back pay. Non-exempt employees called back to work shall receive regular call-back pay. Those called back to work after their scheduled shift ends, shall be given a minimum of one full hour beginning at the time the employee arrives at work with additional time thereafter calculated in the regular manner.

Premium Call-back pay. Except for Fire Department Personnel, non-exempt full-time employees called back to work on days off, vacation, or leave time shall be given a minimum of two full hours beginning at the time the employee arrives at work. Additional time thereafter shall be calculated in the regular manner.

Court Call-back Pay

The provisions of this section shall apply when an employee is called back to work an unscheduled period due to a required court appearance.

Regular Court Call-back pay Non-exempt full-time employees called back to appear in court on a day they are scheduled to work, either prior to or after their scheduled shift, shall receive a minimum of one hour regular court call-back pay for the hours worked beginning at the time the employee arrives at work. Additional time thereafter shall be calculated in the regular manner.

Premium Court Call-back pay Non-exempt full-time employees called back to appear in court on their day off shall be paid a minimum of two full hours beginning at the time they arrive at work. Additional time thereafter shall be calculated in the regular manner.

Standby Compensation

Employees in the Public Works and Police Departments designated as stand by for emergency purposes shall be paid for the hours worked and in addition, shall be paid 4 hours regular pay or compensatory time for each 24 hour period they are placed on standby on Saturday, Sunday or holidays. This assignment shall rotate among those employees qualified to respond, as determined by the Department Director. Time worked shall not include commuting time between home and the job site unless duties are performed or the employee has been authorized to take a City vehicle home.



1302 * PART-TIME EMPLOYEE COMPENSATION AND EVALUATIONS

Part-Time Employee Compensation

Regular part-time positions will be assigned an hourly wage range which may be adjusted from time-to-time based upon changes to the minimum wage or job requirements. Employees hired in to part-time positions will start at the beginning of the range for those positions. At the initial point of hiring, a Department Director may depart from the base pay rate up to a maximum of the range. This may be done by submitting a written summary to the City Manager of the employee's qualification that places the employee above entry level status. The City Manager shall review the request and respond back to the Department Director with approval or denial of the request. An offer of employment at a wage above entry level shall not be extended until formally approved by the City Manager.

Rehire

Employees returning for subsequent seasons are not eligible for the increase referred to in paragraph 1. These employees are covered under Merit Evaluations - Seasonal Positions below.

Cost of Living Adjustments

The hourly wage range for part-time employees will be adjusted for cost of living increases if approved by the City Council.

Annual Evaluations

On the anniversary of hire, a part-time employee who works continuously for the City shall receive a performance evaluation and may receive a merit increase, if funded by the City Council. (See Forms – Merit Calculation for Permanent Part-Time Employees.) An employee's annual performance evaluation shall be submitted to the Management Services Department upon completion, along with a completed Personnel Action Form.

Merit Evaluations

Seasonal positions: Employees who are re-hired in part-time seasonal positions, may receive a merit increase based on performance during the prior year. A merit increase is not guaranteed. If a merit increase is given, it shall be approved by the Department Director, not to exceed the range of the position. The merit increase shall be added to the employees ending wage from the prior year to arrive at a starting wage for the new season. An adjustment to the employee's ending wage may be needed for cost of living adjustments approved after the employee's seasonal termination.

Permanent positions: Permanent part-time employees shall receive an evaluation, annually on their hire date and may be awarded a merit pay adjustment at that time. If a merit increase is given, it shall be approved by the Department Director not to exceed the merit increase percentage a full time employee is eligible to receive.

Part-time employees may receive a maximum of one merit increase per year regardless of hours worked. Wage increases based on obtaining certifications will not change the merit date and a partial merit increase will not be calculated.

A merit increase for permanent and seasonal positions shall be based upon performance and job quality similar to a full-time employee. The merit pay adjustment is set by the City Council and is subject to annual budget appropriation. During the annual budget process, and at the discretion of the City Council, the implementation date of a merit pay adjustment may be altered. Alteration of the implementation date does not eliminate the eligibility criteria, and requires the employee to be at a passing level of performance and competency when the merit is put in effect. Employees not meeting a passing level of competency will be subject to the re-evaluation procedures stated in Policy 1701 * Performance Evaluations. Permanent part-time employees must be employed on June 30th to be eligible for a merit pay increase in the subsequent year.



1303 * JOB RE-EVALUATION AND SALARY ADJUSTMENT

Whenever it is determined by a Department Director and the Management Services Department that a job description for a position within the City does not reflect all of the duties that a person is required to perform in the position, that job description may be revised, the market salary information reviewed, and a new salary range established for that position, subject to the approval of the City Manager.

A Department Director desiring to have a job in their department re-evaluated should provide written justification for the re-evaluation to the City Manager who will consult with the Department Director in re-evaluating the job and may change the job description to more accurately describe the work actually being performed. The Management Services Department will then survey current market information, as directed by the City Manager, for a revised pay range. After review and approval by the City Manager, the incumbent's salary may then be adjusted. This may be done only in instances where a job is simply being changed, and does not result in a new position being created.

An employee whose position is reclassified from one salary range to another shall be paid at the same rate for which they were paid in the previous salary range or the minimum in the new salary range, whichever is greater, unless there is a specific action taken to demote the employee. Such action will not alter the employee's anniversary date insofar as advancement within the salary range is concerned.



1304 * TRAINING

Fire Training Requirements

Fire Service personnel shall meet the following requirements for continued certification:

Fire Certification

Personnel must obtain 36 hours per year or 108 hours per certification period of 3 years in order to renew their certifications. Certification involves all aspects of Fire Service Cognitive and Manipulative skills.

EMT's/Paramedic's

Personnel must obtain 24 hours per year or 96 hours per certification period of 4 years to renew certifications. This involves all aspects of Emergency Medical Services Cognitive and Manipulative Skills.

National Fire Academy

Personnel who pursue education at the academy receive 80 hours of training in a two week period. This may be required from time to time as determined by the Fire Chief.

Pay During Training Sessions

Much of the initial or continuing education training that fire department personnel are involved in is conducted during their normal scheduled duty hours. There are times when personnel must attend classes while off duty as required by the Fire Chief. Remuneration for this time is calculated as part of the work schedule and according to FLSA standards. Personnel work schedules shall be adjusted to decrease the firefighters work schedule by the number of hours obtained in training so the total hours for the work period do not exceed 96. Training hours shall be counted as part of the work schedule.



1401 * TRANSFERS AND PROMOTIONS

Transfers

An employee may be transferred temporarily or permanently to another position for reason of training, shortage of funds or department re-organization or when it is in the best interest of the City, the departments involved or the employee. All transfers must be approved by the City Manager.

1. Lateral Transfers: A lateral transfer is defined as an employee moving to a position with an entry level pay rate of not more than 5% lower or higher than the entry level pay rate of the employee's current position. Lateral transfers may be within or between departments. Lateral transfers do not change the employee's merit date. Employees receiving a lateral transfer will be subject to probation requirements.

When a City employee fills a position which would be a lateral transfer for that employee, the employee's pay rate will be the same as the pay rate of the employee prior to the transfer, unless there is a specific action taken to demote the employee.

2. Downward Transfers:

- a. A voluntary downward transfer is defined as an employee moving to a position with an entry level pay rate that is more than 5% less than the entry level pay rate assigned to the employee's present position. Voluntary downward transfers may be within or between departments.

When a City employee voluntarily elects to fill a position which would be a voluntary downward transfer for that employee, the employee's pay will remain the same if the employee's current pay rate is within the pay range of the new position.

If the employee's current pay rate is above the top of the pay range for the new position, the employee's pay rate will be adjusted to be no more than the pay rate at the top of the pay range of the new position, except the City Manager may, at his discretion, freeze or redline the employee's pay rate until the top of the range for the new position is greater than the employee's pay rate.

- b. An involuntary downward transfer or demotion is defined as movement of an employee from a position in a class having a higher maximum salary rate, excluding general salary adjustments, to a position having a lower maximum salary rate. The City may demote or reassign employees as it determines is in the best interest of the City. No demotion shall occur without that person's supervisor conducting an informal proceeding with the employee present and informing the employee of the reasons for the potential demotion and granting the employee a full opportunity to explain reasons why the demotion should not occur. No demotion shall occur without giving the employee a written explanation of their rights to appeal the action under the provisions of the City personnel regulations.

When a Roy City employee is demoted, the employee pay rate will be reduced to the highest step in the range for the new class, provided such step is less than the previous salary. Such demotion will not alter an employee's anniversary date.

Whenever an employee transfers to a different position, the employee will be in probationary status. Employees who rotate assignments within the same or closely related positions, such as patrolman, detective, narcotics officer, PSD officer, COP officer, etc., will not be required to be in probationary status each time a change in assignment is made.

Promotions

For purposes of determining pay rates, a promotion is defined as an employee moving to a position with an entry level pay rate of 5% or more than the entry level pay rate assigned to the employee's present position. Promotions may



be within or between departments.

When a City employee is promoted to fill a position in the City, the employee may receive a pay increase based upon the following:

1. If the employee's current pay rate falls within the pay range of the new position, the employee may receive a maximum pay increase of 5%, so long as that pay increase does not move the employee's pay rate outside the pay range for the position. The employee's pay rate cannot exceed the maximum of the pay range.
2. If the employee's current pay is less than 5% below the minimum pay rate for the new position, the employee may receive a maximum pay increase of 5%.
3. If the employee's current pay rate is 5% or more below the minimum pay rate for the new position, the employee will receive a pay increase which results in the employee's pay rate being the minimum pay rate for the new position.
4. In addition, employees promoted prior to their anniversary date will be credited a pro-rated amount of their applicable merit increase for the year. The employee will have their promotion date as their new anniversary date for future merit increases. The merit increase shall be applied first and then the potential 5% promotion shall be applied to determine the employee's new rate. If the employee is at the top of the salary range in the position prior to the promotion, no partial merit increase will be given. (This section does not apply to part-time employees or part-time employees going to full-time status.)

Whenever an employee receives a promotion, the employee will be in probationary status according to Probation Policy #1107.

Vertical adjustments and automatic promotions are not covered under this section. See Eligibility For Reclassification and Automatic Promotions Policy #1402.

Pay adjustments will be determined by the employee's Department Director and the City Manager.

This policy and these procedures regarding promotions shall apply to all employees and positions in Roy City except Department Director level positions.



1402 * ELIGIBILITY FOR RECLASSIFICATION AND AUTOMATIC PROMOTIONS

Firefighters

Part-time Firefighters

Part-time firefighters will be hired in at the certification level of the open position, not necessarily at the applicant's level of certification. Upon completing one year of service, the employee may be eligible for promotion to their level of certification.

After one year of service, part-time firefighters are eligible for automatic promotion upon the completion of the following:

Firefighter II/EMT/PM to Apparatus Driver Operator

- A. Holder of a current Utah Firefighter II certification
- B. Holder of a current Utah EMT or Paramedic certification
- C. Successful completion of training and passage of testing requirements for Utah ADO certification

Police Officers

Police Officer to Master Police Officer – This is considered to be a vertical adjustment which will maintain the integrity of years of service at time of enhancement. An eligible officer shall submit a letter to the Chief of Police detailing their qualifications by explaining how they have met the reclassification criteria.

Eligibility Requirements - In order to be considered for reclassification, an officer shall meet the minimum qualifications listed below, plus the requirements associated with Track A, B, or C:

1. Minimum eight (8) years of experience as a full-time police officer.
 2. A passing evaluation.
 3. Must not be in probationary status. If a police officer is on disciplinary probation when they are eligible to become a Master Officer, they will not be able to submit application for the promotion until their probationary period has ended plus one additional year.
- Track A
 - a. Bachelor's degree
 - b. One of the following specialized or advanced training classes:
 - Advanced Accident Investigation
 - Advanced Officer
 - Instructor Development
 - Interview and Interrogation
 - Verbal Judo
 - Others as approved as qualifying by the Chief of Police
 - c. Two of the following:
 - Specialty assignment as defined by the Chief of Police (currently in good standing or having completed previous assignment in good standing)
 - Department instructor position which required advance training (currently in good standing or having previously completed in good standing)
 - Field Training Officer (FTO), including attendance at required training (currently in good standing or having previously completed in good standing)
 - Experienced as an Officer in Charge (OIC)
 - Fluent in a foreign language.
 - Active on a board or committee assignment related to law enforcement (as approved by the Chief of Police)
 - SWAT Officer including successful completion of basic SWAT school



- Track B
 - a. Associate's degree or equivalent of sixty (60) semester credit hours
 - b. One of the following specialized or advanced training classes:
 - Advanced Accident Investigation
 - Advanced Officer
 - Instructor Development
 - Interview and Interrogation
 - Verbal Judo
 - Others as approved as qualifying by the Chief of Police
 - c. Three of the following:
 - Specialty assignment as defined by the Chief of Police (currently in good standing or having completed previous assignment in good standing)
 - Department instructor position which required advance training (currently in good standing or having previously completed in good standing)
 - Field Training Officer (FTO), including attendance at required training (currently in good standing or having previously completed in good standing)
 - Experienced as an Officer in Charge (OIC)
 - Fluent in a foreign language.
 - Active on a board or committee assignment related to law enforcement (as approved by the Chief of Police)
 - SWAT Officer including successful completion of basic SWAT school

- Track C
 - a. No degree
 - b. One of the following specialized or advanced training classes:
 - Advanced Accident Investigation
 - Advanced Officer
 - Instructor Development
 - Interview and Interrogation
 - Verbal Judo
 - Others as approved as qualifying by the Chief of Police
 - c. Four of the following:
 - Specialty assignment as defined by the Chief of Police (currently in good standing or having completed previous assignment in good standing)
 - Department instructor position which required advance training (currently in good standing or having previously completed in good standing)
 - Field Training Officer (FTO), including attendance at required training (currently in good standing or having previously completed in good standing)
 - Experienced as an Officer in Charge (OIC)
 - Fluent in a foreign language.
 - Active on a board or committee assignment related to law enforcement (as approved by the Chief of Police)
 - SWAT Officer including successful completion of basic SWAT school

Upon approval of the application by the Chief of Police, the eligible officer will received a pay increase of 10%. This pay increase is not considered to be a promotion. The employee's anniversary date will remain unchanged.

A review of the Master Officer status may be conducted anytime at the discretion of the Chief of Police. To retain the Master Officer status, the individual shall maintain a passing evaluation. Additionally, the officer must participate in and pass both the Spring and Fall physical fitness testing process. In the event of eligibility deficiency, the officer will be placed back into regular officer status and will receive a 10% pay decrease until the deficiency is remedied.



Public Works & Parks Departments

Equipment operators in the Public Works and Parks Departments are eligible for an automatic promotion upon completion of all of the following requirements:

Operator I to Operator II

1. Competent in operation of heavy equipment as determined by the applicable Department Director
2. Possess and maintain a CDL
3. Equipment Certification provided by Public Works Heavy Equipment Certification Specialist

See Transfers and Promotions Policy #1401 for applicable merit increases and changes to the anniversary date.

Water and Sewer Division

Employees in the Public Works Water and Sewer Division are eligible for a 5% pay increase within their current grade upon completion of all of the following requirements:

1. Utah Water System Operator (Grade IV) certification
2. Utah Wastewater System Operator (Grade IV)

This pay increase is not considered to be a promotion. The employee's anniversary date will remain unchanged.

Certification Bonus

The City encourages full-time employees to engage in opportunities to further their job knowledge directly related to their present work assignments. The City may provide a one-time certification bonus to full-time employees upon the completion of a certification and based upon the approval of the Department Director and the City Manager.

In order to be eligible for the certification bonus, the certification program must:

1. Be a work-related effort beyond standard job requirements;
2. Be relevant to your career field;
3. Provide training that will advance the objectives and improve operations of the City, department, or division;

To be eligible for the bonus, employees shall:

1. Receive approval by the Department Director and City Manager prior to beginning a certification;
2. Complete the certification requirements;
3. Provide proof of certification to the Department Director and City Manager.

The above policy does not apply to certifications or other educational classes the City requests an employee to attend as part of their ongoing job responsibilities.



1501 * EMPLOYEE CONDUCT - GENERAL

All City employees are expected to conduct themselves in such a manner as to bring credit to themselves and to the City. To this end, they are expected to be courteous and cooperative at all times to citizens, their fellow employees, their supervisors, and others who may for any reason, contact the City. Employees are expected to conduct themselves in a professional and competent manner appropriate to their position. They are expected to strive for cleanliness and neatness at all times in personal appearance and at their work station, appropriate with their position and job duties.

City employees are expected to be honest in word and conduct at all times during which the City may be affected. As a result, employees are expected to never use their position in any way to privately benefit themselves or another party, either through the disclosure of confidential information, the award of work, procurement of supplies, or the unauthorized use of City facilities, property or resources. Failure to comply with these standards of conduct may result in disciplinary action, up to and including termination.



1502 * SEXUAL HARASSMENT/DISCRIMINATION POLICY AND PROCEDURE

Title VII of the Civil Rights Act of 1964 prohibits employment discrimination on the basis of race, color, sex, religion, age or national origin. Sexual harassment is an unlawful activity which violates City policy and is prohibited as a form of sexual discrimination. Both sexual harassment and inappropriate sexual conduct, whether legally harassment or not, are unacceptable behavior that will not be tolerated. Sexual harassment, according to the federal Equal Employment Opportunity Commission (EEOC), consists of unwelcome sexual advances, requests for sexual favors or other verbal or physical acts of a sexual nature or sex-based nature where (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment (2) an employment decision is based on an individual's acceptance or rejection of such conduct; or (3) such conduct interferes with an individual's work performance or creates an intimidating, hostile or offensive working environment. It is also unlawful to retaliate or take reprisal in any way against anyone who has articulated any concern about sexual harassment or discrimination against the individual raising the concern or against another individual. Examples of conduct that would be considered sexual harassment or related retaliation are set forth in the Statement of Prohibited Conduct which follows. These examples are provided to illustrate the kind of conduct prescribed by this Policy. This list is not exhaustive. In addition to prohibiting sexual harassment by its employees, the City will not tolerate sexual harassment toward its employees by its citizens, contractors and/or vendors. Sexual harassment is unlawful. Employees at all times should treat other employees respectfully and with dignity in a manner so as not to offend the sensibility of a co-worker. Accordingly, the City's management is committed to vigorously enforcing its Sexual Harassment policy at all levels of the organization.

A. Statement of Prohibited Conduct. The following are examples of conduct which violate the City's Sexual Harassment Policy. This list is not intended to be exhaustive.

- (1) Physical assaults of a sexual nature, such as:
 - (i) Rape, sexual battery, molestation or attempts to commit these assaults.
 - (ii) Intentional physical contact which is sexual in nature, such as touching, hugging, pinching, patting, grabbing, brushing against another employee's body, or poking another employee's body.
- (2) Unwanted sexual advances, propositions or other sexual comments, such as:
 - (i) Sexually-oriented gestures, noises, remarks, jokes, or comments about a person's sexuality or sexual experience.
 - (ii) Preferential treatment or promises of preferential treatment to an employee for submitting to sexual conduct, including soliciting or attempting to solicit any employee to engage in sexual activity for compensation or reward.
 - (iii) Subjecting, or threats of subjecting, an employee to unwelcome sexual attention or conduct or intentionally making performance of the employee's job more difficult because of that employee's sex.
- (3) Sexual or discriminatory displays or publications anywhere in the City's workplace:
 - (i) Displaying pictures, posters, calendars, graffiti, objects, promotional materials, reading materials, or other materials that are sexually suggestive, sexually demeaning, or pornographic, or bringing into the City work environment or possessing any such material to read, display or view at work. A picture will be presumed to be sexually suggestive if it depicts a person of either sex who is not fully clothed or in clothes that are not suited to or ordinarily accepted for the accomplishment of routine work in and around the City and who is posed for the obvious purpose of displaying or drawing attention to private portions of his or her body.



- (ii) Reading or otherwise publicizing in the work environment materials that are in any way sexually revealing, sexually suggestive, sexually demeaning or pornographic; and
 - (iii) Displaying signs or other materials purporting to segregate an employee by sex in any area of the work place (other than restrooms and similar semi-private lockers/changing rooms).
- (4) Retaliation for sexual harassment complaints, such as:
 - (i) Disciplining, changing work assignments of, providing inaccurate work information to, or refusing to cooperate or discuss work-related matters with any employee because that employee has complained about or resisted harassment, discrimination or retaliation;
 - (ii) Retaliatory treatment or threats of retaliatory treatment to, an employee who resists or rejects unwanted sexual advances or propositions; and
 - (iii) Intentionally pressuring, falsely denying, lying about or otherwise covering up or attempting to cover up conduct such as that described in any item above.

B. Disciplinary Action. An employee's commission of acts of sexual harassment, inappropriate sexual conduct, whether legally sexual harassment or not, discrimination and/or retaliation will result in disciplinary action up to and including termination.

C. Procedures for Making, Investigating and Resolving Sexual Harassment and Retaliation Complaints.

- (1) Complaints. Employees are required to report all incidents that they believe to be inappropriate sexual conduct or violations of the City's Sexual Harassment/Discrimination Policy. These reports shall be made when the employee first feels they or someone else has been sexually harassed, subjected to inappropriate sexual conduct, or discriminated against. Employees must file a sexual harassment or discrimination complaint in writing with any one of the following: immediate supervisor, the City Attorney, the City Manager, the City Recorder, the Human Resources Coordinator, the Management Services Director, the Complex/Aquatic Center Supervisor, the Records Manager, any member of the City Council, or Mayor. A complaint need not be limited to someone who was the target of harassment or retaliation. All such complaints will be investigated. Confidentiality will, to the extent practical, be protected. The City will make a reasonable effort to keep the identity of the reporting person confidential, but confidentiality cannot be guaranteed. All parties contacted in the course of an investigation will be advised that all parties involved in a charge are entitled to respect and that any retaliation or reprisal against an individual who is an alleged target of inappropriate conduct, harassment, retaliation, or discrimination, who has made a complaint or who has provided evidence in connection with a complaint is a separate actionable offense as provided in the schedule of penalties.
- (2) Contact by Accused. Any employee of the City who is accused of inappropriate conduct, sexual harassment, retaliation, or discrimination shall not question, coerce, intimidate, retaliate, or communicate in any way during the investigation with the employee who has filed a report of sexual harassment with the City.
- (3) Cooperation. All employees will fully cooperate in any investigation of inappropriate conduct, sexual harassment, retaliation, or discrimination. Disciplinary action will be taken against any employee that obstructs or does not fully cooperate with any such investigation.

D. Procedures and Rules for Education and Training. As part of the general City orientation, new employees will be given a copy of the City's Sexual Harassment/Discrimination Policy and sign a statement that they have received and read it. Employees will be reminded at least annually about the City's Sexual Harassment/Discrimination Policy and reporting procedures. The City shall post notices and inform employees about the law and reporting procedures.



Any employee employed in a supervisory capacity who has knowledge of an offense involving any of those employees they supervise, and does not report the matter shall be subject to disciplinary action.



1503 * ACCEPTANCE OF GIFTS

It is critical that Roy City employees be fair and impartial in their business dealings with the public and that they serve all citizens equally. It is not enough to avoid favoritism. They should strive to avoid even the appearance of giving preference to one citizen or business over any other. No official or employee shall directly or indirectly solicit any gift or accept or receive any gift whether in the form of money, services, loan, travel, entertainment, hospitality, promise, clothing or any other consideration from which it could be reasonably inferred that the gift was intended to influence them in the performance of their official duties or was intended as a reward for any official action on their part. Nominal gifts of \$50 or less on an infrequent basis shall not constitute a violation of this policy. The City Manager shall have the authority to reasonably interpret this policy.



1504 * USE OF CITY SUPPLIES, EQUIPMENT, PROPERTY OR PERSONNEL

This policy applies to any employee, elected official, appointed official, volunteer, intern, contractor, consultant or other person working in behalf of Roy City.

Use of Office Equipment

Intent. This policy is intended to allow employees the occasional, infrequent benefit of using office equipment without causing expense to the City in lost time or cost of supplies and maintenance. It is not intended for ongoing personal projects, large projects or any income producing projects.

Permitted Use. Office equipment may be used for personal matters described below, as long as the employee pays for any supplies and/or direct user costs associated with the use of the equipment. Permitted personal use shall be on an occasional and infrequent basis and not for any large or lengthy projects. Office equipment includes any tool or machine used for office work such as, copy machines, typewriters, calculators, fax machines, printers, computers (including Internet access), telephones, etc. Permitted personal use shall be by an employee of the City only, or by a child or spouse of the employee only if accompanied by and supervised by the employee. Friends, other relatives or other persons shall not be allowed to use or operate the office equipment.

Photo copies and Facsimiles. Personal use as permitted herein shall be paid by the employee at a rate of five cents per page or such rate as may be set by the City Manager from time to time. Long distance telephone charges for facsimile transmissions shall be paid for by the employee, if applicable. The employee shall identify their personal fax use on the activity report and shall pay the phone charges when the City is billed. Permitted use shall be on an occasional and infrequent basis.

Telephone

Personal use of telephones for long distance and other toll calls is generally not permitted without reimbursement. The City reserves the right to limit the frequency and length of personal telephone calls. The employee's duty to serve the public must take priority over an employee's personal business. Personal calls that are excessive and/or unnecessary are not acceptable and may result in disciplinary action, up to and including termination.

Use of Electronic Information and Communication Systems

Computer Use: City owned computer equipment is provided for city purposes and is generally not to be used for personal business or use. Employees abusing the privilege of the use of the City's computer equipment may have the privilege withheld and may be subject to disciplinary action, up to and including termination.

1. Employees should be aware that all systems and information are the property of the City and will not become the private property of any City employee. The City owns all legal rights to control, transfer, or use all or any part of its systems. The City reserves the right to monitor, trace, review, audit, access, intercept, log, block, resist, screen, delete, recover, restore, publish, or disclose any information or network activity (by authorization from the City Manager and City Attorney) at any time without notice, including electronic mail and all website communications and internet browsing, and therefore, users should have no reasonable expectation of privacy in the use of these resources.
2. Employees shall not allow unauthorized persons to use the City's equipment or access unauthorized databases. Employees shall not move, alter, or repair computer software, equipment or wiring, or connect any device to the City's system without authorization from the Information Technology Department (IT).
3. Employees may transfer data files from work to home and back. However, employees may not bring software to work from home or from other sources. The City is committed to provide employees with software that is necessary to perform their job requirements and will assume no liability resulting from



the use or misuse of unauthorized software on City owned systems. Such unauthorized software may be removed upon detection without notice.

4. All electronic files that are loaded from any sources into City owned computers are to be scanned for viruses. Antivirus scanning software is available for each computer workstation. Since employees may transfer data files from work to home and back, employees must have antivirus scanning software on their home computers to protect both employee's home computers and the City equipment from viruses.
5. Employees are prohibited from using City computers or the City computer network to:
 - a. Download or copy electronic games or similar forms of entertainment;
 - b. Engage in personal commercial activities;
 - c. Engage in any activity which may compromise the security of any City host computer;
 - d. Engage in any political, fundraising or lobbying activity. Only City authorized lobbying of federal or state government concerning municipal issues is permitted;
 - e. Access accounts within or outside the City's computers and communications facilities for which the employee is not authorized or does not have a business need;
 - f. Knowingly or inadvertently spread computer viruses;
 - g. Distribute junk mail such as chain letters and commercial advertisements;
 - h. Distribute confidential information without proper authorization, including the distribution of private, protected or confidential records under Government Records Access Management Act;
 - i. Copy, disclose, transfer, examine, rename or change information or programs belonging to another user without the user's permission;
 - j. Log on as another user, exchange network passwords, or read another's electronic mail unless specifically authorized to do so;
 - k. Engage in any other similar activity after having been notified that such activity constitutes an unacceptable use of the city computer system.
6. Personal use of City computer equipment is permitted so long as it does not interfere with the employee's regular work, or violate any use restrictions provided in this policy.

Electronic Mail Use:

- i. Electronic mail is the transmission of memos and other electronic documents over electronic networks, including, but not limited to, the City's computer network. Employees are advised that the confidentiality of electronic mail cannot be guaranteed and should not consider such communication to be private. The City may choose to monitor e-mail messages at any time and without prior notice.

Employees should always properly identify themselves to e-mail recipients. Employees should only transmit e-mail messages to those City employees and others that need such information. The content and tone of such messages should be respectful and comply with all City policies governing communication.



2. The City has the authority and responsibility to manage, control, and delete junk mail to prevent the unnecessary or inappropriate use of bandwidth and to ensure that illegal, unwanted, and unsolicited advertisements are not received on the City's network.
1. The City e-mail systems shall not be used for the creation or distribution of any disruptive or offensive messages, including offensive comments about race, gender, personal appearance, disability, age, sexual orientation, religious beliefs and practices, political beliefs, national origin, or in violation of the City's sexual harassment policy. Employees who receive any e-mails with this content from any employee should report the matter to their supervisor immediately. Additionally, City e-mail services shall not be used as a personal e-mail account, to send chain letters or jokes, or to sign up for newsletters/promotional offers except as approved for business purposes. City business requiring a mass mailing from a City e-mail account shall be coordinated through IT.
4. Employees shall not distribute spam or questionable e-mail from their City e-mail account and shall not open e-mail from unknown senders. If an employee receives questionable e-mails they should notify IT immediately.
5. Employees shall not publish their City e-mail address in public websites or in bulletin boards or forums, other than for City business.

Internet/Social Media Use:

1. General Policy: The internet is comprised of thousands of interconnected networks, which provide digital pathways to millions of information sites. The internet provides for file transfer, remote login, electronic mail, news and other services. Roy City employees are encouraged to use the internet to its fullest potential to further the City's mission, to provide services of the highest quality, to accomplish job responsibilities more effectively, to discover new ways to enhance service, to promote staff development, and to develop skills and knowledge. While the City recognizes that these services are an effective means for making City departments more efficient, accessible, and responsive to the public's needs, their availability is open to abuse. Accordingly, the purpose of this policy is to give employees guidance for the appropriate use of the internet.
2. Objectionable Material: There is a wide variety of information available on the internet. Some individuals may find some information offensive and objectionable. Employees should be aware that the City has no control over and cannot, therefore, be responsible for the content of information available on the Internet.
3. Permitted Internet Uses: City employees are encouraged to use the internet to locate current and historical data from multiple sources worldwide for use in their decision making processes.
 - a. The internet may be used by employees to conduct the City's business within the city, with other governmental agencies, and with the public. It can be used to publish the City's mission, function, structure, goals, authority, address, phone numbers, information required by law, and other information of general interest to the public.
 - b. Employees may use the internet to provide and exchange information, to communicate with one another, to perform duties of a job more effectively and less expensively, and to provide better service to taxpayers. The internet may also be used to disseminate information, announcements, or schedules with other employees, government agencies, businesses or the public.
 - c. Employees may retrieve data files from the internet.
 - d. Personal use is permitted so long as it does not interfere with the employee's regular work, or violate any use restrictions provided in this policy.



4. Unacceptable Internet Uses: It is unacceptable for any employee to use, download, submit, publish, display, or transmit any information via any City computer or network which:
 - a. Violates or infringes on the rights of any other person, including the right to privacy;
 - b. Contains defamatory, false, inaccurate, abusive, obscene, pornographic, profane, sexually oriented, and/or threatening language or images;
 - c. Violates the City's sexual harassment policy;
 - d. Restricts, inhibits, or disrupts other employees from using the system or the efficiency of the computer systems;
 - e. Encourages the use of illegal or controlled substances;
 - f. Violates any federal, state, or local statute or policy;
 - g. Contains an offensive, harassing statement or statements which disparage others based on race, national origin, sex, sexual orientation, age, disability, or political or religious beliefs;
 - h. Violates copyright laws;
 - i. Is personal in nature and interferes with an employee's regular work, or is an application or service not authorized by an employee's supervisor, including, but not limited to, unauthorized use of Facebook, Twitter, blogs, video and audio streaming, and similar applications or services.
 - j. Represents themselves publicly as a City representative regarding City issues unless designated and authorized to do so by the Department Director.

Use of Wireless Devices While Operating a Vehicle:

1. Roy City does not require nor encourage its employees to use portable wireless devices (e.g., cellphones, computers, or pagers) while operating a vehicle for City business.
2. In the event an employee makes or receives a call prior to arriving at their destination, the employee shall utilize a "hands free" system or safely pull off the roadway and/or stop the vehicle (e.g., at a traffic light) prior to using the wireless device.
3. Pursuant to state law, text messaging is prohibited while operating a vehicle. In addition, Roy City prohibits using keyboard functions to dial, or access electronic mail or the internet while operating a vehicle.
4. If an employee's use of a wireless device in violation of this section is found to contribute to a preventable accident while operating a vehicle for city business, disciplinary action may be taken, up to and including termination.
5. This policy applies to an employee driving a personal or city owned vehicle on city business.
6. This policy does not apply to the operation of handheld devices by emergency personnel or police officers.

Investigations of Suspected Violations of the Electronic Communications Use Policy: Suspected violations of electronic communications and information systems use should be reported to the Department Director, City Manager, or City Attorney. Investigations into alleged violations of this policy can only be authorized by the City



Attorney or City Manager.

Penalties: Employees violating this and/or related policies may be subject to corrective and disciplinary action. Violations will be reviewed on a case by case basis. Discipline up to and including termination may be appropriate depending on the nature of the violation and any other relative facts and circumstances. A first time violation could result in termination and in appropriate instances, civil action may be initiated. Additionally, violators may be prosecuted criminally under city, state, or federal law.

These guidelines do not address technologies that have not been invented or implemented within the City, but may be used in the future.

Use of City Vehicles

Certain Roy City employees are permitted and/or required to drive City-owned vehicles to and from their homes due to the nature of the work they perform. This allows them to respond more readily and to be better prepared with necessary tools and equipment to address emergency situations during non-working hours.

These City-owned vehicles are to be used only for commuting to and from work or when performing official City duty when the employee has reported in or out on their radio, has shown up for work, or has been assigned a work activity. City-owned vehicles are not to be used for personal purposes. They are not to transport anyone other than City employees or people working with or for the City in an official capacity. Family members or other non-employee personnel are discouraged from riding in City-owned vehicles, whether the employee operating the vehicle is on duty or not.

Commuting is a personal use that may be valued and treated as a taxable fringe benefit for federal income and employment tax purposes for certain vehicles identified under the Internal Revenue Code. An employee whose vehicle falls under this category is required to complete the form "Policy Prohibiting Personal Use of City Vehicle" (see Forms). Department Directors shall notify the Management Services Department when employees are assigned vehicles or when vehicle assignments change.

Only employees specifically authorized by their Department Director are allowed to take City-owned vehicles home. A list of such authorized employees should be turned in to the City Manager on a yearly basis. These authorized employees are not authorized to loan their City-owned vehicle to anyone else, except for business related purposes as determined and pre-approved by the Department Director.

Any exceptions to this policy must be covered by departmental vehicle use policy and be cleared through the City Manager, except as noted below:

- (a) Roy City police officers and fire administration personnel are allowed to transport family members in City-owned police vehicles and fire administration vehicles respectively in order to allow them to be in a position to respond to emergency situations at all times when they are in their vehicles and, in the case of police officers, to allow them to drive their vehicles more often to serve as a crime deterrent. If police officers or fire administration personnel are responding to an emergency situation, they must be able to immediately let any family members out of their vehicle, and they must make other arrangements to be taken home. Police officers and fire administration personnel are not allowed to transport other individuals in City-owned vehicles unless the transportation is within the course and scope of their job duties. This shall not preclude a City approved Ride-Along program.
- (b) Any changes in departmental vehicle use policies shall first be approved by the City Manager.

Employee Use of the Public Works Shop

The City shall allow all City employees eligible for the full City benefit package to make use of the City shop vehicle bays for work on personal vehicles on a space-available basis within the following parameters:



Eligible City employee means regular full time employees only.

1. All work shall be done on an employee's personal vehicle or that of an immediate family member (parent, sibling, spouse, child) only. Any exceptions to this rule will be allowed only by the Public Works Director or his designee. Part of the sign in procedure will involve recording the license number of the vehicle being worked on as well as the vehicle description, the type of repair to be performed, and the estimated time required for completion.
2. All work shall be done between the hours of 4 and 8 p.m. on weekdays and between the hours of 7 a.m. and 8 p.m. on weekends and holidays. Work on personal vehicles shall never be undertaken on City time.
3. No non-employees shall be present in the City shops after hours unless the employee needs the assistance of a capable immediate family member and with the prior approval of the Public Works Director or his designee. Under no conditions will any person under the age of 13 be allowed in the shop facility.
4. Shop areas available for use under this policy shall be specified by the Public Works Director or his designee, with primary concern for the security and safety of City supplies and equipment. No use may be made of any City facilities other than those specified by the Public Works Director or his designee, and then only with proper training as required by the Public Works Director or his designee. All City owned tools, lube supplies, parts and other supplies shall be off limits for use on private vehicles.
5. Employees using the facilities will be required to arrange for the use of the facilities with the shop superintendent no less than 24 hours ahead of time except in the case of an emergency and will sign in and sign out when arriving and leaving. Employees who sign in will be personally responsible for turning out lights, cleaning the facilities used and securing doors when leaving if requested to do so by the Public Works Director or his designee.
6. All employees will be responsible to participate in required training prior to being granted shop privileges. Training will be as designed by the shop superintendent, the Public Works Director and the Risk Manager, and will be updated as new equipment becomes available.
7. Private vehicles being worked on in the shop in accordance with this policy may not be left inside the building during working hours. Private vehicles may be stored on the shop lot only if they are locked, covered by a tarpaulin, and moved to a portion of the lot where their presence will not interfere with normal operations. A vehicle may not be kept on the lot for more than three (3) days without the prior approval of the Public Works Director or his designee.
8. The intention of this policy is to allow for the occasional use of shop facilities by employees. Excessive use may be considered a violation of the guidelines. Excessive use shall be an employee using the Shop Facility on an average of more than 4 times per month over a 3 month period.
9. No alcoholic beverages or illegal drugs shall be used at any time by any person at the shop facility.
10. Failure to follow these guidelines shall be grounds for employees losing their shop privileges and/or other disciplinary actions.



1505 * POLITICAL ACTIVITY

City employees shall not engage in the distribution or publication of materials approving or favoring a candidate for nomination or election to public office during their working or office hours or in any public building or while wearing any Roy City uniform.



1506 * OUTSIDE EMPLOYMENT

Employees of the City shall not engage in any outside employment which in any way interferes with the proper performance of their duties or which results in conflict of interest. If the City Manager, in consultation with the Department Director, determines that outside employment of a City employee is not in the City's best interest, the employee may be required to either:

- (a) terminate or modify outside employment to the satisfaction of the City Manager and Department Director,
or,
- (b) terminate employment with Roy City.

City employees shall not use City equipment, property, personnel or resources in connection with outside employment, nor shall they engage in outside employment while on City time.



1507 * DRUG FREE WORKPLACE

It is the purpose of this policy to promote and encourage a safe, drug-free work environment; comply with the Department of Transportation regulations; improve productivity; and assist employees who seek help in commencing a rehabilitation program. This policy is applicable to all City employees.

Zero Tolerance

Employees who refuse or fail to submit to testing or who test positive for use of alcohol and/or illegal/illicit drugs are in violation of this policy, and disciplinary action will be taken against them, up to and including termination.

Substance Abuse

The City has no intention of intruding into the personal lives of its employees. It recognizes, however, that involvement with alcohol and/or illegal/illicit drugs eventually may affect job performance by reducing productivity, causing safety hazards and hurting morale. Adverse job performance, attendance problems, behavior changes, harm to self or others, damage to City vehicles, equipment and property as a result of the consumption and usage of illegal/illicit drugs and/or alcohol in violation of this policy, may result in termination of employment with the City.

Alcohol and Drug Prohibitions

The use or possession of alcohol during scheduled working hours, including lunch hour, is prohibited. The possession, transfer, sale or use of illegal or illicit drugs or the possession, transfer, sale or use of drug paraphernalia while on City premises or during scheduled working hours is prohibited. Employees reporting or returning to work, whose behavior may indicate the consumption of alcoholic beverages or drugs, legal or illegal, may be referred for drug and alcohol testing and/or medical evaluation with a City-referred physician to determine fitness for duty.

No employee shall:

- Report for duty or remain on duty while having an alcohol concentration greater than 0.01;
- Be on duty or operate a City motor vehicle while possessing alcohol;
- Use alcohol while performing their daily functions;
- Use alcohol for eight (8) hours following a work related vehicle accident or until the employee undergoes a post-accident test, whichever comes first. The employee must remain available for testing after the accident;
- Refuse to submit to a test for alcohol and/or illegal/illicit drugs as required by this policy;
- Report for duty or work if the employee tests positive for illegal or illicit drugs.
- Take anything that will alter the test results.

Once the City has knowledge, the City shall not permit an employee:

- To continue to work after refusing to submit to a required test for illegal/illicit drugs and/or alcohol;
- To work or continue to work after they have tested positive for illegal/illicit drugs.

Arrest or Conviction Under a Criminal Alcohol or Drug Statute Must be Reported

Employees must report to their supervisor, any arrest or conviction under a criminal alcohol or drug statute or ordinance for violations occurring on or off City premises. A report of arrest or conviction must be made within five (5) days after conviction. Conviction for the sale, purchase, possession, transfer or use of illegal/illicit drugs by employees at any time or place is cause for immediate suspension with pay pending the result of a pre-disciplinary hearing. The employee may be subject to further disciplinary action up to and including termination.



Voluntary Rehabilitation

Seeking assistance for a drug or alcohol problem before it interferes with job performance and before conviction will not jeopardize an employee's job, whereas unsatisfactory job performance, attendance or behavioral problems will. Employees having a drug or alcohol problem are strongly encouraged to seek help. Employees voluntarily seeking assistance for alcohol and/or drug problems may contact the City Manager. The City Manager may provide assistance in referring employees to appropriate rehabilitation programs. This assistance, however, does not financially obligate the City for the costs associated with rehabilitation nor is it any guarantee that the employee's job performance will improve. Rehabilitation is the employee's responsibility. The City will allow employees who seek voluntary assistance for alcohol and drug problems to first utilize their sick leave and then their annual leave for rehabilitation. Leave without pay may be requested by the employee and will be considered on an individual case basis.

Employees returning to employment after treatment must first provide the City with certification from a reputable substance abuse program that the employee is sober, has successfully completed the treatment program and has the potential for full recovery. This certification should be signed by a licensed professional medical practitioner that specializes in substance abuse. The employee must agree to follow-up drug and/or alcohol testing and sign a return-to-work agreement.

Use of Prescribed Drugs on City Premises

Prescribed drugs brought on City premises may only be used by the person for whom they are prescribed so long as the use of these drugs does not impede the employee's ability to work or affect the safety of the work environment. Any employee who chooses or is medically required to ingest prescribed medications which impede their ability to perform or affect the safety of the work environment shall immediately notify their immediate supervisor of that fact and the time period over which said medications will be taken. Medications used as prescribed which do not impede the employee's job performance or constitute a safety concern, shall not be considered a violation of this policy.

Supervisor Training

The City will periodically provide training for supervisors to help them recognize the conduct and behavior that give rise to a reasonable suspicion of alcohol and/or illegal/illicit drug use and the proper application of these policies and procedures.

Drug and Alcohol Testing

In order to achieve a drug-free work place, applicants and employees shall be required to participate in tests for alcohol and/or illegal/illicit drugs under the circumstances outlined below. A prospective employee who refuses to be tested shall be denied employment. Any current employee who refuses or fails to be tested when so required will be subject to the full range of disciplinary action up to and including termination. Illegal/illicit drug testing for applicants should be done using a single sample. All testing of employees for illegal/illicit drug shall be done using the split sample method and all analysis shall be performed by a certified ARUP/NIDA/SAMSHA certified laboratory. The City shall arrange alcohol and/or drug testing in the following circumstances:

1. *Pre-employment* - After a candidate has been extended a conditional offer of employment but before beginning, the candidate shall be required to pass an alcohol and/or illegal/illicit drug test. An applicant who tests positive for alcohol and/or illegal/illicit drugs shall be denied employment with the City. Employees rehired after a 6 month absences will be subject to pre-employment testing according to this paragraph.
2. *Reasonable Suspicion* - Testing that occurs when a supervisor observes behavior or appearance that is characteristic of the use or abuse of alcohol, illegal/illicit drugs, and/or prescription drugs. The City reserves the right to require an employee to submit to a fitness for duty examination with a city-referred physician or substance abuse professional when there is reasonable suspicion that the employee is working under the influence of alcohol and/or drugs. Such examinations shall be conducted on City time and at City expense. Reasonable suspicion shall be based on specific objective facts and reasonable inferences, and shall be documented by the supervisor prior to testing and, whenever practical, the supervisor should seek the



observations of at least one additional employee, preferably a supervisor. Factors which may constitute reasonable suspicion include, but are not limited to, slurred speech, red eyes, dilated pupils, incoherence, unsteadiness of feet, smell of alcohol, marijuana, or other controlled substance emanating from the employee's person, inability to carry on rational conversations, increased carelessness, erratic behavior, inability to perform on the job, or other unexplained behavioral changes. The Supervisor's Reasonable Suspicion and Post Accident Check Sheet (see Forms) should be used for documentation. Supervisors have a duty to act when they have reasonable suspicion that an employee has a drug or alcohol problem. Supervisors will coordinate reasonable suspicion testing with the City's Designated Agent, who will review the matter with the City Manager or City Attorney prior to testing.

3. *Post-Accident* – Post-accident alcohol and/or illegal/illicit drug testing shall occur as soon as practicable and prior to 24 hours following a reportable accident (defined by Utah State law, 41-6a-402 or successor statutes); a work related vehicle accident with property damage to an apparent extent of \$1,500 or as stated in statute; or accidents causing injury or with possible liability for the City. The employee's supervisor shall notify the City Designated Agent as soon as possible after the accident to arrange for testing. If alcohol use is suspected, alcohol testing should be done within two (2) hours, but in no case after eight (8) hours. If an employee leaves the scene of an accident before the required test is administered, or fails to remain readily available for testing, it may be deemed by the City that the employee has refused to submit for testing.

For accidents involving the holder of a CDL license, FMCSA requires the driver to be tested for alcohol and controlled substance abuse, as soon as possible, if the accident resulted in a fatality or the driver received a citation for a moving traffic violation arising from the accident. FMCSA has set forth the following timetable for action:

Time Elapsed	Action to Take
2 Hours	If a driver has not submitted to an alcohol test at this time, the City should prepare and maintain on file a record stating the reason a test was not promptly administered.
8 Hours	Cease attempts to administer alcohol test. Prepare and maintain the record described above.
32 Hours	If the driver has not submitted to a controlled substance test at this time, the City shall cease attempts to administer the test and prepare and maintain the record described above.

4. *Random* - Required for:
 - a. Commercial Driver's License (CDL) holders. (See "Commercial Driver's License Holders" section below.)
 - b. Employees in safety sensitive positions. (See "Safety Sensitive Positions" section below.)
5. *Pre-Promotion/Transfer* - Prior to being promoted or transferred, employees must pass an alcohol and/or illegal/illicit drug test. Part-time employees being hired into full-time positions are subject to testing as defined in *pre-employment* above.
6. *Return-to-Duty and Follow-up* - Testing conducted:
 - a. When an employee returns to duty following voluntary drug and/or alcohol rehabilitation. (See "Voluntary Rehabilitation".)
 - b. Following other medical leave of absence.

Once notified of selection for testing, an employee must proceed to a collection site to accomplish the appropriate specimen collection. (See "Collection Procedures" below.) Employees who test positive shall be immediately suspended with pay until a pre-disciplinary hearing is held, and where found in violation of this policy, may have their employment with the City terminated. An employee who is denied promotion/transfer or is disciplined as a result of a confirmed positive test result may appeal the action in accordance with Appeals/Grievance Procedures Policy #1802.



Return to Duty/Follow-Up Testing

Holders of a CDL license found to be in violation of the City's alcohol and/or drug policies must pass a return-to-duty test before engaging in safety-sensitive functions.

When the holder of a CDL license requests assistance from the City in resolving problems associated with alcohol or drug abuse, the employee will be subject to unannounced follow-up testing by the City. A substance abuse professional shall specify the number and type of tests required, with at least six tests being conducted during the first two months the driver returns to duty. The tests can be conducted only when the driver is performing safety-sensitive functions or just before or after performing safety-sensitive functions.

Random Testing of Commercial Driver's License (CDL) Holders

City positions that require or employees that possess a CDL driver's license are also subject to *random* drug and alcohol testing under the federal requirements of the DOT as set forth under Title 49 CFR, Part 382, or successor regulations.

CDL holders are employees who are required to maintain a commercial driver's license (CDL) to drive a commercial motor vehicle for the performance of their job duties. A commercial motor vehicle includes any motor vehicle used to transport passengers or property if the vehicle has a gross combination weight rating of 26,001 or more pounds inclusive of a towed unit with a gross vehicle weight rating of more than 10,000 pounds; or, a gross vehicle weight rating of 26,001 or more pounds; or, is designed to transport 16 or more passengers, including the driver; or, is of any size and is used to transport materials that are hazardous for the purposes of the Hazardous Materials Transportation Act and that require the motor vehicle to be placarded under the Hazardous Materials Regulations. Firefighters and Police Officers are excluded.

CDL holders are subject to the following alcohol and drug prohibitions in addition to those previously stated in this policy.

- No CDL holder shall perform CDL functions within four (4) hours after using alcohol;
- No CDL holder shall perform or continue to perform any safety-sensitive functions for a minimum of 24 hours if an alcohol test indicates an alcohol concentration of 0.01 or greater; and,

Once the City has knowledge, the City will not permit a CDL holder:

- To perform or continue to perform CDL functions with an alcohol concentration of 0.01 or greater;
- To perform or continue to perform CDL functions if they have used alcohol within four (4) hours of duty.

Random testing for alcohol and/or illegal/illicit drugs for CDL holders shall be limited to; alcohol, marijuana, cocaine, amphetamines, opiates and phencyclidine.

1. *Supervisor Training* - The City will provide a minimum of one (1) hour of training annually for supervisors of CDL holders as identified in this policy and as required by DOT. This training will be directed towards helping supervisors of said employees to recognize the conduct and behavior that give rise to a reasonable suspicion of alcohol and/or illegal/illicit drug use and the proper application of the procedures to follow. In addition, each year a representative from the City's employee assistance program (EAP) will train these supervisors in using the EAP for drug or alcohol problems relating to employees.

Supervisors who must receive this training are: Parks Superintendent, Parks Foremen, Water and Sewer Superintendent, Water and Sewer Foreman, Streets Superintendent, Streets Foreman, Public Works Shop Superintendent.

2. *Employee Training* - The City will provide to all CDL holders at least one (1) hour annual training on the dangers of alcohol and/or illegal/illicit drugs, the City's Drug Free Workplace policy, testing requirements, and how and where employees can get help for alcohol and/or substance abuse.



3. *Random Testing* - Random testing is a system of drug or alcohol testing imposed without suspicion. The testing dates and times are unannounced and are with unpredictable frequency throughout the year. The minimum annual percentage rate for random illegal/illicit drug testing shall be 50% of all City employees whose positions require them to be CDL holders. The minimum annual percentage rate for random alcohol testing shall be 25% of all City employees whose positions require them to be CDL holders. If DOT adjusts the above percentage rates, the above rates shall be considered amended to the new percentages adopted by DOT, effective immediately upon adoption by DOT.

Random alcohol testing for CDL holders must be conducted just before, during or just after an employee's performance of safety sensitive duties. Random testing for illegal/illicit drugs does not have to be conducted in immediate time proximity to performing safety sensitive functions.

Random Testing of Safety Sensitive Positions

Safety sensitive positions shall be subject to the same random alcohol and drug testing, training requirements and prohibitions as CDL holders except that the percentage of employees tested shall be determined by the City Manager and may be changed from time to time. At present, 25% of safety sensitive positions will be random tested for alcohol and drugs each year. Safety sensitive positions will be pooled separately. Positions considered safety sensitive shall include, but not limited to:

Fire Chief	Deputy Fire Chief
Fire Captain	Firefighter/Paramedic (full or part-time)
Firefighter/EMT (full or part-time)	Fire Marshall
Chief of Police	Deputy Police Chief
Police Captain	Police Lieutenant
Police Sergeant	Sworn Police Officer
Animal Control Officer	Records Manager
Investigations/Evidence Clerk	Records Clerk/Data Technician
Community Service Clerk	School Crossing Guards
Parks & Recreation Director	Parks & Recreation Deputy Director
Recreation Complex & Aquatics Supervisor	Swimming Instructor
Aerobics Instructors	Lifeguards
Recreation Program Supervisor	Recreation Program Coordinator
Janitors	Public Facilities Personnel
Recreation Supervisor	Parks Superintendent
Parks Foreman	Deputy Public Works Director
Public Works Director	IT Personnel
Justice Court Clerk Supervisor	Justice Court Clerks

Confidentiality of Test Results

Results and records of tests for alcohol and/or illegal/illicit drugs are to be maintained under strict confidentiality by the City. Only those with a need to know are to be informed of test results. They cannot be released to others without the written consent of the employee, or as otherwise required by law or court order. Exceptions to these confidentiality provisions are limited to (1) DOT agencies when license or certification actions are required, or (2) to a decision maker in arbitration, litigation or administrative proceedings arising from a positive drug test, or (3) from the City's determination that the employee engaged in conduct prohibited by DOT CFR 49 Subpart B of Part 382 (or successor regulations) including but not limited to a workers compensation, unemployment compensation or other proceeding related to a benefit sought by the employee. The employee, upon written request, may obtain copies of any records pertaining to their alcohol or illegal/illicit drug testing.

City Designated Agent

The Human Resources Coordinator is the City's designated agent to receive drug and alcohol testing results from the laboratory, breath alcohol technicians (BAT) or the medical review officer (MRO) for pre-employment or transfers.



The Risk Management Specialist is the City's designated agent for random drug screens. When the Human Resources Coordinator or Risk Specialist are unavailable, the City Attorney shall serve as the City's Designated Agent.

Test Procedures, Records and Definitions

When a test for illegal/illicit drugs is required under the provisions of this policy, the test will be performed from urine specimens collected either at a qualified collection site or at a designated work location by a qualified collection specialist. All specimens will undergo an initial Enzyme Multiplied Immunoassay Technique (EMIT) test. Any positive results from this analysis will be confirmed through a Gas Chromatography with Mass Spectrometry (GC-MS) test. Any positive results from this latter analysis will be reviewed by the Medical Review Officer (MRO) prior to the results being communicated to the City Designated Agent.

When a breath alcohol test is required under this policy, it will be performed according to DOT standards outlined in Title 49 CFR by a certified breath alcohol technician (BAT).

The following is a list (but not limited to) of the substances tested for, along with the minimum concentrations that will indicate a positive test result. (Note: Random testing for CDL holders, safety sensitive and executive staff positions shall be limited to alcohol, marijuana, cocaine, amphetamines, opiates and phencyclidine. These are shown below in bold type.)

<u>Alcohol</u>	<u>Screening Cutoff</u>
Alcohol (beverage alcohol, ethyl, methyl, isopropyl)	Breath: 0.01
<u>Controlled Substances</u>	<u>Screening Cutoff</u>
Marijuana (THC metabolite)	50 NG/ML
Cocaine	300 NG/ML
Phencyclidine (PCP)	25 NG/ML
Opiates (including heroin)	300 NG/ML
Amphetamines	300 NG/ML
Barbiturates	300 NG/ML
Benzodiazepines (Valium, Librium)	300 NG/ML
Methadone (heroin substitute)	300 NG/ML
Propoxyphene (Darvon)	300 NG/ML

Collection Procedures

The collection site person shall follow DOT regulations set forth in Title 49 CFR, or successor regulations, to collect all specimens. The following are highlights of the regulations:

- Donor shall be positively identified by the collection site person through photo identification or identification by the employer's representative.
- The collection site person must request the donor to remove any unnecessary outer garments (i.e. coat or jacket) that might conceal items or substances that could be used to tamper with or adulterate the urine specimen.
- The collection site person must ensure that all belongings (i.e. a purse or a briefcase) remain with the outer garments.
- Donor will be required to wash and dry their hands prior to specimen collection. After washing hands, the donor must remain in the presence of the collection site person and may not have access to any water fountain, faucet, soap dispenser, cleaning agent or any other materials that could be used to adulterate the specimen.
- The collecting of urine specimens must provide privacy to the donor unless there is a reason to believe that a particular donor may alter or substitute the specimen to be provided.
- Donor must be provided with a sealed, single use specimen collection container.



- Immediately after the specimen has been submitted to the collection site person, the donor may wash their hands.
- If the donor is unable to produce a sufficient amount of urine for testing, the donor will be given up to two (2) hours to provide a sufficient specimen. If still unable to provide a specimen, the donor shall be referred to the medical review officer.
- Collection site person shall measure the temperature of the specimen within four (4) minutes, examine the color of the specimen and securely place the identification label on the specimen bottle in the presence of the donor.
- Donor shall be required to initial the label on the specimen bottle and sign a chain of custody form certifying the specimen identified has been collected from them.
- The completed chain of custody form shall accompany the specimen to the testing laboratory.

Duties of the Medical Review Officer (MRO)

Although the laboratory analysis will determine whether the specimen is positive, any confirmed positive test results from the laboratory must be reviewed and interpreted by an MRO prior to communicating the results to the City Designated Agent. The MRO's review must include a review of the chain of custody to ensure it is complete. The MRO must examine any alternate medical explanations for any positive test result and review all medical records made available by the tested individual when a confirmed positive test could have resulted from legally prescribed medication. The MRO shall submit the blind performance test specimens to the laboratory according to DOT regulations. See additional duties under section "Confirmation of Test Results" below.

Chain of Custody

A secure written Chain of Custody process will be implemented from the time of the collection of the specimen until the specimen is disposed of or secured in frozen long term storage.

Confirmation of Test Results

1. *Applicants* - A job applicant whose breath alcohol screening test (if required) yields an alcohol concentration of 0.01 or greater will be required to submit to a second or confirmation test. A second test with a result of 0.02 or more is considered positive. If the second test is required the breath alcohol technician will use an evidential breath testing (EBT) device that prints out the results, date and time, a sequential test number, and the name and serial number of the EBT to ensure the reliability of the results.

When a job applicant's initial drug analysis yields a positive result, a second analysis shall be performed, from a portion of the same urine specimen, using the gas chromatography/mass spectrometry (GC/MS) method. The applicant will be contacted, with the test results, either by phone or in writing by the City Designated Agent.

2. *Employees* - An employee whose breath alcohol test yields an alcohol concentration of 0.01 or greater will be required to submit to a second or confirmation test. A second test with a result of 0.02 or more will be considered positive. If the second test is required the breath alcohol technician will use an evidential breath testing (EBT) device that prints out the results, date and time, a sequential test number, and the name and serial number of the EBT to ensure the reliability of the results.

When an employee's initial drug analysis yields a positive result, a second analysis shall be performed, from a portion of the same urine specimen, using the gas chromatography/mass spectrometry (GC/MS) method. If the second analysis confirms the positive result, the MRO must make a reasonable effort to contact the employee directly, on a confidential basis, to discuss the test result. If the MRO is unable to reach the employee directly, the MRO must contact the City Designated Agent, who in turn shall contact the employee and direct the employee to contact the MRO as soon as possible. The MRO shall review and interpret the drug test and examine alternate medical explanations for any positive test result. If the employee provides appropriate documentation and the MRO determines that it is legitimate medical use of a prohibited drug, the drug test result is reported as a negative to the employer. If the employee fails to contact the MRO



within 5 days from the date contacted by the City Designated Agent, or the employee expressly declines the opportunity to discuss the test, the MRO may verify the test as positive. Following the verification of a confirmed positive test result, the MRO or testing agent shall notify the City Designated Agent. The results of a positive drug test shall not be released until confirmed. The City Designated Agent may then refer the employee to the City's EAP.

Following verification of a positive confirmed test, the employee may request a second test (which shall be made from the split sample) by notifying the MRO within 72 hours of notification of a positive drug test. The MRO will then direct the laboratory in writing to provide the split specimen to another certified laboratory for analysis. The cost of the split specimen test must be paid in advance by the employee. If this test yields a positive result, that will be the final result. If this test yields a negative result that will be considered the final result and the City will reimburse the employee for the cost of this test.

Record Retention

The City's designated agent shall maintain records of its alcohol misuse and controlled substance use prevention programs as provided in this policy. These records shall be maintained separate from personnel records, in a secure location with controlled access. Records relating to drug and alcohol testing must be made available to the Secretary of Transportation, any DOT agency, any state or local official with regulatory authority over the employer or any of its drivers. Post-accident records must be made available to the National Transportation Safety Board when requested.

The DOT requires that the records be maintained for the time periods set forth below:

Five (5) Years

- Alcohol tests with results showing an alcohol concentration of 0.01 or greater;
- Drug tests with verified positive results for illegal/illicit drugs;
- Documentation of refusal to take drug/alcohol tests;
- Documentation of calibration of evidential breath testing devices;
- Employee testing records and referrals for rehabilitation;
- Annual calendar year summaries;
- Documentation of employee personal information, job description, type of illegal/illicit drugs tested and disposition of findings;
- Records documenting the collection process conforms to Part 40.25 of Title 49 CFR, or successor regulations;
- Training records of employees required to maintain a CDL and their supervisors;
- Records of number of employees tested by type of test.

Two (2) Years

- Records related to the drug and alcohol collection process (except calibration of evidential breath testing devices);

One (1) Year

- Records of negative and canceled drug tests.

Definitions

Alcohol means the intoxicating agent in beverage alcohol, ethyl alcohol or other low molecular weight alcohols including methyl and isopropyl alcohol.

Alcohol Use means the consumption of any beverage, mixture or preparation, including any medication, containing alcohol.



Alcohol Concentration (or content) means the alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an evidential breath testing device.

Blind Performance Test Specimen is a non-employee urine specimen submitted to the laboratory by the MRO to verify testing control quality procedures.

Breath Alcohol Technician (BAT) is a trained individual that conducts the breath test to determine the alcohol concentration in an individual.

Chain of Custody means the procedure to account for the integrity of each specimen by tracking its handling and storage from the point of specimen collection to final disposition.

Controlled Substance means a drug or substance as defined in federal and state law.

Drug or Controlled Substance Test means a generally accepted and proven analysis of a urine sample for the presence of controlled substances provided by an employee or prospective employee processed at a certified laboratory.

Employee means an individual who holds recognized position with Roy City and is paid a wage or salary.

Employee Assistance Program (EAP) means a counseling program that offers assessment, short-term counseling, and referral services to employees for a wide range of drug, alcohol, and mental health problems, and monitors the progress of employees while in treatment.

Evidential Breath Testing device (EBT) is a device approved by the National Highway Traffic Safety Administration to test the breath for alcohol consumption.

Illegal/Illicit Drug is defined by Section 802(6) of Title 21 of the United States Code, the possession or consumption of an unlawful substance, under Chapter 13 of the Title.

Medical Review Officer (MRO) means the individual responsible for receiving laboratory results generated from the City drug testing program. This person is a licensed physician with knowledge of substance abuse disorders and the appropriate medical training to interpret and evaluate all positive test results together with the individual's medical history and other relevant biomedical information.

Negative Alcohol Test means a test showing an alcohol concentration of less than 0.01.

Negative Drug Test means a drug test result that was negative on an initial FDA approved immunoassay test.

On-Duty means all time from the time an employee begins work or is required to be in readiness to work until the time the employee is relieved from work and all responsibility for performing work.

Positive Alcohol Test means an initial test showing an alcohol concentration of 0.01 or greater and a confirmed test with an alcohol concentration of 0.02 or greater.

Positive Drug Test means a test result that was positive for the initial FDA approved immunoassay test, confirmed by a gas chromatography/mass spectrometry assay, and reviewed and confirmed by the Medical Review Officer.

Random Selection is a selection process based on a scientifically valid selection method which assures that all covered employees have an equal chance of being tested.

Safety Sensitive Functions means any of those on-duty functions set forth in Title 49 CFR, Part 395.2 On-Duty Time, paragraphs (1) through (7), or successor regulation.

Sample means urine, blood, or breath specimen.



Split Urine Sample means a portion of the urine sample provided by the donor at the time of collection, poured into a separate specimen bottle, sealed in the presence of the donor, and shipped to the laboratory.

Substance Abuse Professional means a licensed physician, or a licensed certified psychologist, social worker, employee assistance professional or addiction counselor with knowledge of and clinical experience in the diagnosis and treatment of alcohol and illegal/illicit drug related disorders.

Supervisor means an employee having authority to direct, assign, evaluate, reward, discipline or to effectively recommend action of an employee.

Directory of Service Providers:

Specimen Collection:

On-Site Collection Agency - Testing to be done at employee's worksite.

Blueline Services (www.blueline-services.com)
124 South 400 East, Suite 300
Salt Lake City, Utah 84111 Telephone: (801) 575-8378

After Hours Collection Agency

Ogden Regional Medical Center Emergency Services
5475 South 500 East
Ogden, Utah 84405-6978 Telephone: (801) 479-2111

OR

McKay Dee Hospital
4401 Harrison Boulevard
Ogden, Utah 84403 Telephone: (801) 387-2800

OR

WorkMed (IHC) Hinkley Drive Location
1355 West 3400 South (On-Call Pager)
Ogden, Utah 84401 Telephone: (801) 543-4089

Third Party Administrator for Random Tests - Testing to be done at employee's worksite.

Blueline Services (www.blueline-services.com)
124 South 400 East, Suite 300
Salt Lake City, Utah 84111 Telephone: (801) 575-8378

Controlled Substance Laboratories (Primary Lab):

Blueline Services
124 South 400 East, Suite 300
Salt Lake City, Utah 84111
Telephone: (801) 575-8378

Medical Review Officer:

Blueline Services
124 South 400 East, Suite 300
Salt Lake City, Utah 84111
Telephone: (801) 575-8378

Employee Assistance Program/Substance Abuse Professional(s):

Blomquist Hale Consulting
1140 36th Street, Suite 111
Ogden, UT 84403
(801) 392-6833 or 1-800-395-7850



Roy City Designated Agent:

Primary:

Human Resources Coordinator
or Risk Management Specialist
5051 South 1900 West
Roy, Utah 84067
(801) 774-1043 or (801) 774-1037

Alternates:

City Attorney or Management Services Director
5051 South 1900 West
Roy, Utah 84067
(801) 774-1020 or (801) 774-1032

Department of Transportation Information:

Department of Transportation
400 7th Street, S.W.
Washington, D.C. 20590

Alcohol and Drug Testing
Office of the Secretary - Drug Enforcement Program
Room 9404 A
(202) 366-3784

Federal Highway Administration
Office of Motor Carrier Standards
Room 3107
(202) 366-2981
(800) 832-5660



1508 * MAINTENANCE OF VALID DRIVERS LICENSE

If, for any reason during employment, an employee is unable to maintain the appropriate valid Utah driver's license or commercial driver's license required by the employee's position or for any other reason becomes uninsurable (under the City's insurance policy then in force without any additional premiums or costs being incurred by the City to insure that employee), that employee must inform their supervisor immediately. The supervisor will then inform the Department Director and the Risk Management Department.

The City Attorney and Department Director will then review the situation, considering such things as the nature of the job and the expected duration of time the employee will be without a driver's license, and decide the appropriate action to be taken.

The Risk Management Department shall annually review the status of employee driver licenses with the State Driver's License Division.

Penalties for Failure to Maintain Driver's License or for Failure to Notify

Failure to maintain a valid Utah driver's license or a commercial driver's license in a position that requires such or failure to notify a supervisor of being uninsurable or a change in status of an employee's driver's license when such license is a job requirement may subject the employee to disciplinary action, including, but not limited to, termination.

Driver's License Requirements for New Hires

See Driver's License Requirements for New Hires Policy #1108.



1509 * NO SMOKING POLICY

By virtue of State law, it has been determined that tobacco smoke, or smoke from any other plant, in enclosed places is harmful to the health of non-smokers, and therefore, the regulation of smoking in public places is necessary to protect the health, safety, welfare, comfort and environment of non-smokers. It has likewise been determined that smoking in Roy City buildings and facilities will have an adverse effect on the health and productivity of City employees.

Pursuant to this, the City hereby declares all City buildings and facilities as "no smoking" areas. City employees and non-employees shall not smoke inside any of the City's buildings or facilities.

The Utah Indoor Clean Air Act of 1995 further prohibits smoking within 25 feet of an entrance, exit, air intake or window which can be opened.

Smoking is not permitted in City vehicles.

Enforcement

Department Directors shall enforce the "no smoking" policy and violators should be handled according to the disciplinary procedures set forth for City personnel. Signs should be posted indicating that there is no smoking allowed in the building.



1510 * PERSONAL USE OF CITY ACCOUNTS

In order to avoid any confusion or problems for the City or its employees, no employee shall use City credit cards, accounts or the City's name to make purchases for personal use. This includes use of accounts in order to take advantage of discounts or special purchases offered to employees through the City.



1511 * INFORMATION REGARDING ACTUAL, PENDING, OR THREATENED LITIGATION

Information relating to litigation, pending litigation, or threatened litigation involving the City or its employees shall not be released by City employees unless cleared through the City Attorney. Persons inquiring about this type of information should be directed to the City Attorney's Office.



1512 * WORKPLACE VIOLENCE PROTECTION

Roy City recognizes that a workplace safe from violence or the fear of violence is fundamental to the health and well-being of employees and visitors alike. The policy of Roy City is that its employees should work in environments free from physical attack, threats, and menacing or harassing behaviors. At Roy City, physical attacks, threats, harassment, and property damage are always prohibited. Firearms and knives, are prohibited in the workplace unless the employee has a valid permit issued or recognized by the State of Utah to carry a concealed weapon or as approved by the Department Director as necessary to function in the course and scope of employment. Explosives of any kind are prohibited in the workplace. It is prohibited to retaliate against an employee who reports or experiences workplace violence.

Definitions

As used in this policy, violence is defined to include the following:

- Physical attack is an unwanted or hostile contact, such as hitting, fighting, pushing, shoving, or throwing objects.
- Threat is a verbal or nonverbal indication of a present or future intention to cause physical or mental harm. Any expression of intent to cause physical or mental harm is considered to be a threat.
- Harassment is behavior or communication designed or intended to intimidate, menace, or frighten another person.
- Property damage is behavior or acts that contribute to the destruction or damage of property.

Procedures

1. Any employee who experiences or witnesses such acts, conduct, behavior, weapons, or communication shall report it to their supervisor or Department Director immediately. If the supervisor or Department Director are perpetrators of such conduct, it must be reported directly to the City Manager or the City Attorney.
2. Any supervisor or any other person listed in paragraph 1 above who receives a complaint of violence, threats, harassment, or property damage or who has reason to suspect that these acts or behaviors are occurring, shall notify the Police Department, which will advise the City Attorney.
3. Upon being informed of an allegation of violence, threat, or harassment, the City Attorney will coordinate with the Police Department who will investigate the matter.
4. Upon conclusion of the investigation, the Department Director(s) who is/(are) involved, the Police Department, City Manager and the City Attorney will determine how to respond. In the interim, the City will respond as it deems appropriate.
5. Employees who violate this policy will be subject to discipline, up to and including termination.



1513 * PERSONAL RELATIONSHIPS IN THE WORKPLACE

It is not the City's desire to discourage friendship among employees, however, it is recognized that certain personal relationships between supervisors and their subordinates could lead to actual or perceived conflict of interest, favoritism or sexual harassment. The purpose of this policy is to protect employees from coercive or hostile relationships that may damage morale and reduce productivity because of bias, favoritism, or harassment.

Definitions

Personal relationships are defined to include dating, cohabitation or any other relationship that could give rise to an actual or perceived conflict of interest or appearance of favoritism.

Policy

A supervisor should not be involved in a personal relationship with a subordinate. Supervisors who have dated or are dating another employee should not supervise or evaluate that employee.

If an employee is hired, promoted, transferred or otherwise changed into a position that would violate this policy, the situation should be immediately reported to the Department Director, who will discuss the City's concerns with the employees. In that event, the City reserves the right to transfer one of the employees to another position.



1514 * DRESS CODE

All City employees are expected to dress in a manner appropriate to maintain the integrity of the City. This policy broadly defines dress and grooming guidelines to promote a consistent, professional image. Individual departments may establish more restrictive guidelines to meet department or job specific needs. Employees should refer to the individual department policies, if available, for standards appropriate for their position.

Policy

Employees are expected to maintain a professional appearance and a high level of personal hygiene. Employees should avoid attire, hairstyles, jewelry or other personal accessories that interfere with job performance or safety, or attract undue attention.

a. Employees must appear neat and clean and have no offensive odors. Hair must be clean and well groomed.

b. Tattoos and body art are prohibited on the head, neck (anything visible above the open collar uniform), face, tongue, lips, and scalp. Hand tattoos are limited to one single-band ring tattoo, on one finger, on one hand. Cosmetic tattooing is permitted if done to apply permanent facial makeup (eyebrows, eye liner, etc.) and the cosmetic tattooing must have a natural appearance and be conservative, moderate, within reasonable limits, not excessive or extreme, and in good taste. While on-duty or representing the City in any official capacity, at no time shall any officer or employee have any offensive tattoo or body art visible, as determined by the Chief or Department Director. Covering offensive tattoos in order to meet the acceptable standard must be done using apparel approved by the department. Tattoos or body art including, but not limited to, the following are considered offensive and prohibited from being displayed at all times:

1. Discriminative, degrading, or demeaning based on race, ethnicity, or national origin;
2. Sexism, nudity, or sexually suggestive or explicit;
3. Obscenity or profane;
4. Gang or drug related;
5. Undermining City or department values;
6. Political in nature

c. Clothing must be clean and appropriate for the work performed. Appropriateness may vary, depending upon the nature of work performed, safety concerns, and the degree of public contact. Employees must avoid clothing that is unprofessional, unsafe, unduly revealing, immodest, or otherwise inappropriate for a professional office setting or other work environment. Examples of unacceptable clothing include, but are not limited to:

1. Excessively short or tight clothing.
2. Pajama type clothing.
3. Exposed midriff tops.
4. Visible undergarments.
5. Spaghetti strap tops without a shirt or blouse underneath.
6. Tank tops, tube tops, halter tops, or muscle shirts; shirts with potentially offensive words/terms, logos, pictures, cartoons, or slogans.
7. Shorts (except when permitted by department policy).
8. Pants which are excessively baggy or hanging below the waist.
9. Strapless or backless dresses.
10. Flip flops or house slippers.

Employees failing to meet these guidelines may be asked to clock out and leave the workplace. Continued violations will result in disciplinary action up to and including termination.



1515 * BANKRUPTCY

ICMA and URS Loans

Any employee with outstanding loans against their ICMA and/or URS 401(a) that are included in a bankruptcy filing shall notify the Management Services Department of the case information. Employees with ICMA and/or URS 401(a) loans discharged through bankruptcy will not be eligible for future loans through the plan.

ICMA and URS 457 Plans

Employees whose terms of bankruptcy include stopping all mandatory contributions to the ICMA and/or URS 457 plans, must report the filing date and dismissal/discharge dates related to the case to the Management Services Department. Mandatory contributions will resume upon dismissal or discharge of the bankruptcy.



1701 * PERFORMANCE EVALUATIONS

The City uses a performance & goals based evaluation form to evaluate the employee's performance in their work assignment which serves as one basis of compensation. The City Manager may modify the performance evaluation process from time to time to insure valid and reliable evaluations. Annual performance evaluations shall be completed on all employees. Part-time employees are to be evaluated the same as full time employees.

Purpose & Objective

- Identifying employee's supervisory and leadership potential
- Improving work performance
- Identifying training needs
- Providing a check on proper placement
- Acting as a finger on the pulse of employee morale
- Helping to head off serious disciplinary problems
- Forcing the supervisor to seriously consider each employee in terms of his job performance
- Giving the supervisor a stronger role in personnel management
- Encouraging communication between employee and supervisor
- Letting employee know how well they are doing
- Improving morale by letting employee know where they stand
- Recognizing good work
- Serving as a warning to below standard employees
- Setting of goals for the employee to achieve during the evaluation period

Evaluation Procedure

Since the evaluation covers a certain period, specific examples should be cited to warrant a needs improvement rating in any area. Do not simply copy the position description.

Employees who are evaluated as being below the level of competency (needs improvement) will be re-evaluated within 90 days of the last evaluation. If there is improvement within the 90 days to merit a score of meets expectations, the supervisor may award the employee 50% of their applicable merit increase. Such a recommendation will need to be supported in writing by the Department Director. If approved for a partial increase, the employee will be eligible for their next merit consideration on their next anniversary date. The re-evaluation will have no effect on the employee's anniversary date, unless the employee is also placed on probation for disciplinary reasons. See Policy #1107 Probation.

For employees who receive an evaluation of needs improvement, the rater (supervisor) shall provide justifying remarks in the evaluator comments section. The supervisor shall obtain concurrence of the Department Director for the scores and comments.

Employees who receive a merit evaluation that meets expectations will be eligible for a merit raise consideration. A merit employee is eligible for a merit increase up to the salary range maximum.

First-line supervisors will evaluate their employees and then obtain Department Director concurrence.

Employee Self-Evaluation

Prior to the employee's evaluation date, the Human Resources Coordinator will send out evaluations electronically to the employee and their supervisor. Both the employee and supervisor will complete the evaluation. Upon completion by both parties, a performance evaluation interview between the supervisor and the employee will be set. The signed evaluation shall be attached to a Personnel Action Form and submitted to the Department Director for approval.



Department Director Evaluations

In evaluating exempt employees, every effort shall be made to be consistent with this section and other sections relating to exempt employee evaluations. Where Department Directors evaluate lower level supervisors, the City Manager shall certify concurrence or non-concurrence with the Department Director's evaluation.

Maintenance of Performance Evaluation Records

All performance evaluation records should be maintained by the Management Services Department. Departments may retain copies, but not originals. Records should be secure and guarded. Only those in chain of command or those who have a need to know should have access to the records.



1801 * CORRECTIVE AND DISCIPLINARY ACTION

Grounds for Corrective and/or Disciplinary Action

Roy City places great value in its employees. When an employee violates a City policy, depending on the severity, the intent is to have the employee correct the action. Supervisors are encouraged to counsel employees when a violation occurs.

Employees may be disciplined for any conduct or actions which are determined to be detrimental to the City. The following is a guide for applying discipline. The offenses listed are not intended to be comprehensive, and the enumeration of these commonly-accepted violations shall not be deemed to prevent the discipline of other violations not enumerated.

a. Misconduct

1. Dishonesty in work or conduct.
2. Failure to be clean and neat in personal appearance or at the work station appropriate to the position.
3. Unauthorized use or abuse of City vehicles, equipment, or property.
4. Unauthorized performance of City services.
5. Acceptance of bribes or enticements.
6. Involvement of the City with creditors of employee because of employee's failure to properly arrange personal financial matters. An employee shall not be discharged for garnishment arising out of any single indebtedness.
7. Possession or use of alcoholic beverages or controlled substances during working hours or while on duty.
8. Intemperate use of alcohol or drugs so as not to be able to perform duties.
9. Poor driving record, where driving is necessary in the discharge of job duties.
10. Violation of the criminal laws of the United States or the State of Utah or the City.
11. Abuse of sick leave, emergency leave, jury duty or other paid leave.
12. Conduct off the job which discredits the City or affects the employee's ability to perform their duties effectively.
13. Violation of the policies of the City, including the policies contained in this manual, or failure to properly observe the rules and regulations of the City, Department or Division.
14. Inefficiency, wasting time, loitering, or leaving place of work during working hours without permission.
15. Violating or disregard of safety rules or practices.
16. Threatening, intimidating, coercing, or interfering with fellow employees.
17. Making false, vicious, or malicious statements about any employee.
18. Provoking or instigating a fight, or fighting during working hours or on City premises.
19. Immoral conduct or indecency.
20. Interference with the work of other employees.
21. Deceit, dishonesty, fraud or untruthfulness.
22. Vandalism, willful destruction or defacing City property.
23. Negligently using, abusing, or damaging City property.
24. Sexual or other unlawful or unwelcome harassment.
25. Unauthorized solicitation on City property.
26. Distributing unauthorized printed matter on City premises.
27. Gambling on City property.
28. Theft or inappropriate removal or possession of property.
29. Possession and/or use of alcoholic beverages or controlled substances while operating City equipment.
30. Reporting for work under the influence of alcoholic beverages or controlled substances or illegal manufacture, possession, use, sale, distribution or transportation of drugs.



31. Assaulting a supervisor or another employee.
 32. Unauthorized possession of weapons, explosives or firearms on City premises.
 33. Intentionally misusing, abusing, or damaging City property and/or the property of another employee.
 34. Unauthorized removal falsification, or alteration of City records or intentional release of confidential information.
 35. Use of profanity or offensive language directed at an individual.
 36. Excessive complaining or poor attitude.
 37. Commission of criminal conduct.
 38. Any conduct which reflects negatively on the character of the employee or the City.
 39. Engaging in such other practices which the City determines may be inconsistent with ordinary and reasonable rules of conduct necessary to the welfare of the City or its employees.
 40. Illegal discrimination.
 41. Distributing unauthorized printed matter on City premises.
 42. Inability or unwillingness to work harmoniously with other employees.
- b. Incompetency:
1. "Needs Improvement" on performance evaluation.
 2. Failure to maintain a satisfactory physical record, in relation to the physical demands of the employee's current position.
 3. Failure to conduct oneself in a professional and competent manner appropriate to the position.
- c. Failure to Perform Duty:
1. Failure to perform those duties required by law.
 2. Neglect of job duties and responsibilities.
 3. Conduct subversive of good order and the discipline of the department where employed.
 4. Leaving the work area when not relieved from duty.
 5. Failure to be courteous or cooperative with customers, supervisors, fellow employees, or the public at large.
 6. Unexplained absence from work
 7. Refusal of an employee to train or use the required safety equipment.
 8. Tardiness
 9. Insubordination
 10. Inability or unwillingness to work harmoniously with other employees.
 11. Insubordination by refusing a superior's order, verbal abuse of a superior, or unwillingness to submit to proper authority, or other disrespectful conduct.
 12. Failure to follow specified job instructions.
 13. Creating or contributing to unsanitary conditions.
 14. Unauthorized operation of tools, machinery, or equipment.
 15. Failure to report an injury or accident.
 16. Failure to maintain production and performance standards.
 17. Unauthorized sleeping on the job during work hours.
 18. Failure to report to work without notice.
 19. Failure to obtain pre-approval for over-time.

Disciplinary Measures

An employee whose conduct constitutes grounds for disciplinary action may be disciplined in the following ways. Even though discipline is designated as informal and formal, discipline is not progressive. An employee may be terminated for a first offense.

- a. Informal



1. An oral warning or reprimand. Supervisors should document the warning or reprimand and retain for their future reference.
 2. A written warning or reprimand which should be documented through an SIR (Significant Incident Report) and placed in the employee's official personnel file. All SIR's shall be signed and dated by the employee and supervisor.
 3. Employee may be suspended with pay.
 4. Employee may be suspended without pay for two days or less.
 5. Employee may be placed on probation.
- b. Formal
1. Employee may be suspended without pay for more than two days.
 2. Employee may be demoted to a position with less remuneration.
 3. Employee may be terminated.

Legal and Management Review Required for Formal Disciplinary Action

- a. Whenever any Department Director or supervisor feels there is a need for formal disciplinary action to be taken against a City employee, that Department Director or supervisor must contact the City Manager and the City Attorney prior to the pre-disciplinary hearing with the employee and prior to taking any other action.

A meeting will be held with the Department Director and appropriate members of the department, the City Attorney and the City Manager to discuss the action of the employee and the proposed disciplinary action to be taken in response.

- b. The Department Director shall consult with the City Manager and City Attorney before taking formal disciplinary action.
- c. Only the City Manager may approve the termination of an employee.

Pre-disciplinary Hearing with Employee

Whenever formal disciplinary measures are considered, a pre-disciplinary hearing shall be held prior to imposing disciplinary action.

- a. The employee shall be given prior notice of the hearing along with an explanation of charges, evidence, allegations, and reasons for considering disciplinary action and, where termination is being considered, notice that such a measure is being considered. The employee shall be advised that they will be given an opportunity to respond and may bring any evidence or witnesses to the hearing which the employee believes are relevant to the hearing.
- b. The hearing shall be conducted by the Department Director or their designee, and shall be held for the purpose of allowing the employee to examine the reasons for discipline and present any information or evidence the employee believes is relevant to the decision.
- c. The following items should be accomplished at the hearing:
1. Charges, allegations or reasons shall be given orally or in writing to the employee by the Department Director or other appointing authority.
 2. The employee shall be given a full opportunity to respond and give an explanation of the evidence against him to the appointing authority, verbally or in writing, or both.
- d. The hearing shall be tape recorded. A copy of the transcript shall be submitted to the Personnel Department and placed in the employee's official personnel file.



- e. A decision as to the disciplinary action to be taken, if any, shall be made by the Department Director and the employee shall be notified in writing within a reasonable time after the hearing. If formal disciplinary action is imposed, the Department Director shall provide the employee written notice of disciplinary action (as described below) along with a written explanation of any employee rights for an appeal.

Notice of Disciplinary Action

The notice of disciplinary action is required when imposing formal discipline. It must be in writing, signed by the Department Director, addressed to the employee against whom the disciplinary action is taken, and must advise the employee of the cause for and the disciplinary action taken, the effective date thereof, and the employee's rights for an appeal, if applicable. All such written actions should be cleared through the City Manager and City Attorney before being issued.

Responsibility for Discipline

Basic responsibility for discipline is vested in the Department Director under the direction of the City Manager and City Attorney. In cases where the Department Director does not exercise responsibility, the City Manager may investigate and take appropriate action.

Temporary Relief of Duty Pending an Investigation

A Department Director, division head or supervisor may, when deemed in the best interest of the City and the employee, temporarily relieve any subordinate employee from duty (with pay), until the Department Director, or supervisor can take appropriate action. This is a special application of the authority to make assignments; it differs from the authority to suspend, which belongs to the Department Director and City Manager alone after requirements are met. Subsequent disciplinary action may result in the employee being suspended without pay retroactive to the time the employee was relieved of duty, through a period of time to be determined by the disciplinary authority. Should an employee be found innocent, the employee shall be reinstated without loss of pay, seniority or benefits of any kind.

Probation

Regular employees may be placed on probation as a disciplinary measure for periods of time to be determined by the Department Director in consultation with the City Manager and City Attorney. Employees who are placed on probation remain eligible for the same benefits as they were receiving before being placed on probation.

Suspension

The Department Director, in consultation with the City Manager and City Attorney, may suspend an employee in that department with or without pay. The length of time of suspension shall be determined by the Department Director in consultation with the City Manager and City Attorney. Once the length and type of suspension has been determined (i.e. with or without pay/benefits) the Department Director will notify the Management Services Department to ensure processing.

The Department Director, in consultation with the City Manager and City Attorney shall determine the following:

- a. Whether or not the employee will be allowed to use accrued annual leave during the suspension period if the employee is suspended without pay.
- b. Whether or not to allow an employee to continue to receive some or all of the employee's benefits during the suspension period.
- c. Whether or not the employee's merit date will be extended by the length of the suspension.



An employee may appeal the suspension or terms thereof, by initiating a grievance. See Appeals/Grievance Policy #1802.

Demotion

The Department Director, in consultation with the City Manager and City Attorney, may demote a City employee in that department only after following the procedures outlined in this document. The Department Director will notify the Personnel Office to ensure processing. An employee who is demoted to a position and/or assigned a lower salary range shall receive a salary in the new range, as approved by the City Manager. Persons demoted to a classification in a different career field shall start at the bottom of the applicable salary range, unless otherwise approved by the City Manager, and will be eligible for an increase after one year of satisfactory service in the new field. The employee's anniversary date shall revert back to the first full day of work as a full-time City employee.

Termination

See Termination of Employment Policy #1901. This policy applies to any and all forms of disciplinary action.



1802 * APPEALS / GRIEVANCE PROCEDURES

Appeals/Grievance Not Involving Termination, Transfer to a Position of Less Remuneration, or Suspension For More Than Two Days

If a City employee desires to appeal a performance evaluation, disciplinary action, or register a grievance:

1. A written notification of appeal must be filed with the Department Director within five working days of the interview for the performance evaluation, disciplinary action or grievance, except as described in Paragraph 7.

In cases involving the appeal of a performance evaluation, this notification should state the specific reason(s) why the appraisal is being appealed.

2. The Department Director will meet with the supervisor and with the employee separately to discuss the appeal and obtain relevant information.
3. The Department Director will then determine if the appeal has merit.
4. If the Department Director determines that the appeal does have merit, a meeting will be held with the employee, the supervisor, the Department Director, City Manager and City Attorney to discuss an appropriate resolution to the situation.
5. If the Department Director determines that the appeal does not have merit, the employee will be informed, in writing, of the Department Director's decision. Written notification of denial of an appeal will be made within fifteen working days from the time the original written appeal was filed.
6. If the employee wishes to pursue the appeal further, the employee may file a written notice of appeal with the City Manager within five working days from the time notice is received that the original appeal was officially denied. The City Manager will then review the facts of the situation, interview the involved parties, and make a written determination regarding the appeal within fifteen working days.
7. If an employee's supervisor is a Department Director, the written appeal may be filed directly with the City Manager within five working days of the interview for the performance evaluation, disciplinary action or grievance. The Department Director will then be notified of the appeal and the City Manager will handle the appeal process in place of the Department Director, as outlined in Numbers 2 through 5 above. The City Manager's decision on an appeal will be final.

Appeals of Termination or Transfer to a Position of Less Remuneration, or Suspension For More Than Two Days

Right of Appeal

An employee who is discharged or transferred to a position with less remuneration, or suspended for more than two days, shall have the right to appeal in accordance with the following procedure. This right to appeal DOES NOT APPLY to the following:

1. An officer appointed by the Mayor or other person or body exercising executive power in the City;
2. Any employee with an exempt status or appointed to a statutory position, including City Treasurer and City Recorder;
3. A probationary employee;
4. A part-time employee;
5. A seasonal employee.



Employee Appeals Hearing Officer

The City Manager shall appoint a Hearing Officer to investigate, hear and determine appeals under this portion of Section 1802.

Appeal Procedure

All appeals shall be processed according to the following procedure:

1. The appeal shall be taken by filing a written notice of appeal with the City Recorder within ten calendar days after discharge, transfer, or suspension without pay for more than two days.
2. The notice of appeal must contain the following:
 - a. The specific reason(s) for the appeal;
 - b. The pre-disciplinary notice the person received along with the decision or order the person is appealing;
 - c. The written decision or order which is being appealed;
 - d. The person's mailing address for further communication;
 - e. The person's signature.
3. Failure to timely submit a notice of appeal in full compliance with the notice of appeal requirements listed above shall result in the forfeiture of all the person's appeal rights.
4. Upon filing of the appeal, the City Recorder shall forward a copy to the City Manager, Human Resources Office, the City Attorney, department head and the Employee Appeal Hearing Officer.
5. Upon receipt of the appeal from the City Recorder, the Employee Appeal Hearing Officer shall commence its investigation, take and receive evidence, and fully hear and determine the matter which relates to the cause for such discharge, transfer, or suspension without pay for more than two days.
6. The Human Resources Department shall schedule the hearing.
7. The officer or employee shall be entitled to appear in person before the Employee Appeal Hearing Officer and may be represented by counsel, if the officer or employee so chooses, to have a hearing, to confront any witness whose testimony is to be considered, to call witnesses, and to examine the evidence to be considered by the Employee Appeals Hearing Officer.

Employee Appeals Hearing Officer's Decisions

The decision of the Employee Appeals Hearing Officer shall be in writing and completed within a reasonable time. The decision shall be the final administrative decision of the City.

Board Reverses Decision and Employee Salary

In the event that the Employee Appeals Hearing Officer does not uphold the discharge or transfer to a position of less remuneration, the employee shall be paid their salary, commencing with the next working day following the decision, provided that the employee, or officer concerned, reports for their assigned duties that next working day.



1901 * SEPARATION FROM EMPLOYMENT

Voluntary Separation

Employees separating voluntarily, in order to leave in good standing, are expected to give the City two **weeks** advance written notice. The City may accept or reject this notice.

Voluntary separations of regular employees may be effected either verbally or in writing by a letter, memo, e-mail, text or any other means. The City may accept or reject any notice of resignation at any time. Upon receipt of a verbal or written resignation, the Department will submit a Personnel Action Form setting forth the date and cause of separation to the Human Resources Coordinator for placement in the employee's personnel file.

Involuntary Separations

In addition to separations for disciplinary purposes, involuntary separation also includes reductions in force, budget cuts and any other type of involuntary separation. Involuntary separation for disciplinary purposes is a formal disciplinary measure. The procedures are addressed in Corrective and Disciplinary Policy #1801.

Where the separation is due to a reduction in force, a pre-separation meeting shall be held with the affected employee(s) and the Department Director and City Attorney, or the City Attorney's designee. The purpose of this meeting is to explain the reasons for dismissal, and to provide the affected employee(s) an opportunity to discuss concerns they may have.

Where the separation is for disciplinary purposes, documentation shall include proof the employee has been provided an opportunity for a pre-disciplinary hearing.

Involuntary separations shall be effected by completion of a Personnel Action Form and a written statement prepared by the Department Director of the reasons for dismissal. This documentation shall be forwarded to the Management Services Department and placed in the personnel file of the employee.

Exit Interviews

All employees separating employment with the City should be granted an exit interview with the Management Services Department. The purpose of the exit interview is to provide an opportunity for the leaving employee to:

- (1) Turn in keys and/or other City property,
- (2) To learn about the option to continue health benefits under COBRA,
- (3) To reconcile any amounts owed to the City or to the employee,
- (4) To share any information with the City that they feel may be helpful in improving morale and/or increasing productivity, and
- (5) To initiate retirement withdrawals or transfers, and review other benefits as appropriate.

A copy of the interview form shall be placed in the employee's personnel file.

Date of Separation

The separation date for voluntary separations is that date agreed to by the employee and the Department Director and specified on the Personnel Action Form. The separation date for involuntary separations is that date specified on the Personnel Action Form.

All benefits will stop accruing on the date of separation, and any amounts owed to the employee shall be paid within twenty-four (24) hours for involuntary separation and on the next regular payroll for voluntary separation. Documentation summarizing all amounts paid to the employee and/or received from the employee at separation shall be placed in the employee's payroll file.



2101 * SAFETY POLICY

City employees shall abide by reasonable safety precautions. Employees must perform duties carefully. Employees shall immediately report to their supervisor any equipment needing repair, any area needing lighting, or any condition in the City which is likely to cause an accident. City employees shall be responsible for applicable regulations set forth in their department's safety guidelines, if any.



2102 * USE OF SEAT BELTS

The City recognizes that safety belts are an important and effective item of personal protective equipment. The City wishes to reduce the incidence and severity of any injuries which may be caused by failure to use safety belts. Therefore, the City is implementing the following safety belt usage policy:

Policy

Available safety belts shall be used by all City employees when they are traveling on official City business. This applies to all employees and to all occupants of vehicles driven by employees on official City business. Employees riding in the back seats of vehicles shall wear safety belts or restraints. Employees and other front seat occupants shall use the available safety restraints in City owned, leased, or rented vehicles whenever such vehicles are in use. Employees also shall use safety restraints in personal vehicles when those vehicles are being used for official City business. The driver of the vehicle is responsible for enforcing safety belt usage by all occupants. The ranking occupant, if other than the driver, also equally shares this responsibility.

Failure to follow the terms of this policy and properly utilize safety restraints will be treated as a violation of City policy. Disciplinary action may result, which could include but is not limited to verbal or written reprimand, suspension, and/or termination.



2103 * ACCIDENT REPORTING

(This section addresses the actual reporting of an accident. For information on receiving medical care, see Section #1207)

All accidents or incidents causing employee injury or possible liability for the City must be reported to the employee's supervisor immediately, filed in writing on the appropriate form, and given to the City Attorney (Risk Manager) or Risk Management Specialist as soon as possible, however, not more than one (1) business day after the accident.

See Section #1507 - Drug Free Workplace for post-accident drug testing.

Accidents or incidents of a serious nature, including those requiring hospitalization of City employees or others who are involved in a City related occurrence, or property damage in an amount equal to or greater than the requirements of a reportable vehicle accident, Utah State Law (41-6-35 U.C.A., or successor statute) from a City related occurrence shall be reported to the City Attorney (Risk Manager), City Manager or Acting City Manager immediately.

Reporting Job Related Injuries and Illnesses (See Workers Compensation Policy #1207)

All job-related injuries and illnesses **must** be reported in a timely manner:

1. Minor injuries and illnesses shall be reported to the employee's supervisor within one (1) business day after the occurrence;
2. Serious injuries, illnesses and fatalities shall be reported to the supervisor, Department Director, the City Attorney, and the City Manager **immediately**.

The "First Report of Injury" form (see Forms), including both the employee and supervisor sections shall be completed and forwarded to the Risk Management Department within two (2) business days of the occurrence. If the employee is unable to complete the employee section for any reason, the supervisor shall complete the form.

Those employees not reporting injuries within the specified time period may forfeit any rights to compensation under workers compensation law.

The Risk Management Committee, consisting of the City Manager and Department Directors, shall be made aware of and review **all** on-the-job accidents and may convene to recommend the need for any remedial training or discipline.

Reporting Vehicle Accidents

1. Vehicle accidents involving City vehicles or private vehicles driven by City employees on City business must be reported to the Roy Police Department or applicable local law enforcement agency and the employee's supervisor, regardless of severity, immediately upon the occurrence. Such accidents may be investigated by the Roy City Police Department unless a Roy Police Department employee is involved in the accident, or by an outside law enforcement agency. Accidents or incidents of a serious nature, including those requiring hospitalization of City employees or others who are involved in a City related occurrence, or property damage in an amount equal to or greater than the requirements of a reportable accident under Utah State Law (41-6-35 U.C.A., or successor statute) from a City related occurrence shall be reported to the City Manager or the City Attorney immediately and should (unless unfeasible due to the accident occurring out of the area) be investigated by the Roy Police Department in addition to any investigation that may be performed by an outside law enforcement agency.
2. Vehicle accidents involving Police Department vehicles or private vehicles driven by Police Department employees on City business shall be investigated by an outside law enforcement agency. Such accidents may be investigated by the Roy Police Department in addition to the investigation of an outside law enforcement agency. Investigations should include photographs of the accident scene including all traffic control devices.



3. If a City employee is injured as a result of the accident/occurrence, a "First Report of Injury" (see Forms) is to be completed and submitted to the Risk Management Department according to Worker's Compensation Policy #1207.
4. An "Employee Vehicle Accident or Occurrence Report" (see Forms) will be completed by the driver of the City vehicle, and reviewed by the employee's supervisor. The employee's supervisor will also complete a Supervisor's Report of An Accident or Occurrence (see Forms). A copy of both reports is to be sent to the City Attorney within one (1) business day of the accident/occurrence.
5. The Risk Management Committee shall be made aware of and review **all** accidents and may convene to recommend the need for any remedial training or discipline.

Basic Procedures in Case of a Vehicle Accident

1. STOP AT ONCE. Leave vehicles where the accident occurred unless they are obstructing traffic or otherwise unsafe.
2. ENSURE SAFETY. Take steps to prevent further accidents. Park safely, set out warning devices if available.
3. CALL POLICE to report ALL accidents. If anyone is injured, ask for medical help. Immediately contact your Department Director and/or Supervisor and the City Attorney so they can come to the scene.
4. REMAIN AT THE SCENE of the accident until Police arrive and you are told you may leave.
5. DO NOT ADMIT FAULT. Do not discuss the accident with anyone except police, your supervisor and/or Department Director and the City Attorney. In your conversation with the police do not admit fault.
6. OBTAIN IN WRITING from all other drivers and witnesses:
 - (a) Their Name
 - (b) Address
 - (c) Telephone number

In addition, from the drivers obtain:

 - (d) Vehicle description & plate number
 - (e) Name of their insurance company
 - (f) Their driver's license number
7. GIVE OTHER DRIVERS:
 - (a) Your name
 - (b) Address
 - (c) Vehicle description and plate number
 - (d) The City's insurance company name and address
 - (e) Your driver's license number
 - (f) The City Risk Manager's name and number

Insured Name and Address: Roy City Corporation
5051 South 1900 West
Roy, Utah 84067
(801) 774-1000



Roy City's Insurance Co.:

Utah Local Governments Trust
55 South Highway 89
North Salt Lake, Utah 84054
1-801-936-6400
Policy #13300-LIABILITY

8. Submit a completed "Employee Vehicle Accident or Occurrence Report" (see Forms) within (1) business day of the accident to the City Attorney.



2104 * HANDLING BOMB THREATS

Applicability

This policy and procedure applies to City employees, in the absence of departmental policies. This policy is not intended to override police or fire department standard operating procedures.

Background

While some threats may turn out to be false, employees must treat each one as if it is entirely true. Every effort should be made to react calmly and avoid panic. The typical bomber wants to disrupt normal activity and produce panic. The City desires to make every attempt to mitigate the situation before it escalates to chaos.

Handling Telephoned Threats

The phone call is the most important element in threat management as it is the only opportunity to actually speak with the caller. An employee receiving such a call should:

Be calm and courteous;

Listen carefully, take notes if needed, do not interrupt the caller;

Ask questions:

- When will it go off? Hour? Time Left?
- What kind of bomb is it?
- Where are you now?
- How do you know so much about the bomb?
- What is your name? Address?

Notify the Police Department and City Manager as soon as caller hangs up;

Be discrete with other employees to avoid hysteria.

Handling Written Threats

A written threat should be handled by as few people as possible to safeguard it for forensic processing. The employee finding the threat should notify a supervisor, the Police Department and Administration as soon as possible. Above all, the recipient must be discrete to avoid hysteria.

Initiating a Search

A search may be initiated under the direction of the Police Department. Usually employees should search their own workplaces, since they are most familiar with what does or doesn't belong in a particular area. Usually the search should work from outside to inside the building. Searchers are **only looking** for suspicious objects. **Under no condition should anyone move or touch the object.** Professionals in explosive ordnance disposal will determine what is or isn't a bomb. The probability of finding a bomb that looks like the stereotypical one is almost non-existent, so employees should be prepared for anything.

In some cases, bombs are sent by letter or parcel. Some of the telltale signs of a suspect package bomb are:

No return address;

Excessive postage;

Misspellings of common words;

Lumpy or rigid envelopes that are stiffer or heavier than normal;

Oily stains or protruding wires or aluminum foil.



2201 * CLAIMS / LITIGATION HANDLING POLICY

The purpose of this policy is to establish a systematic method of handling claims and lawsuits, ensure timely response to all claims and lawsuits and protect the assets and interests of the City, its officers, employees and volunteers.

It is the responsibility of all City employees to comply with this policy. Department Directors are responsible for the implementation of these regulations in their respective departments. Disciplinary action, up to and including termination, may be taken against those who fail to follow these procedures.

Reporting of Threatened Legal Actions or Claims for Damages

1. The City Attorney, or in their absence, the City Manager shall be promptly notified by the employee(s) involved if:
 - a. Written or verbal threats of legal actions or a claim for damages are received; or
 - b. An incident occurs for which the City may be liable for property damages and/or bodily injury (whether or not a claim is filed).
2. In addition, the involved employee(s) should complete a "Supervisor's Report of An Accident or Occurrence".
3. The City Attorney shall see that the appropriate "ULGT Occurrence Cover Sheet" or "ULGT Claim Cover Sheet" is completed and submitted to Utah Local Governments Trust (ULGT), along with a copy of related information, within two business days.
4. An occurrence/claims file of each incident shall be created under the direction of the City Attorney.

Admission of Liability Prohibited

No official or employee shall admit or indicate in any manner that they, or the City, is at fault or has any liability in any incident that may result in a claim or lawsuit. No official or employee shall make any commitment or promise to claimants unless specifically authorized to do so by the City Manager or the City Attorney.

Claims Procedures

1. Any person desiring to make a claim against the City will be directed to the City Attorney's office, or a designated representative of the City, to complete a claim against the City. Currently the City has designated the Risk Management Specialist to receive such claims.
2. The Risk Management Specialist will make these forms available to the public during normal business hours. A written substitute for the claim form may be used but it must contain at least the information required on the claim form.
3. All information required by the claim form must be filled out specifically enough to enable proper review by City Staff and/or their agents. Each claim must be signed by the claimant.
4. The Risk Management Specialist shall record receipt of the claim and provide it to the City Attorney for review, after which the Risk Management Specialist will set up a file for the claim. The Risk Management Specialist shall also fill out a Notice of Claim Form as required by ULGT, and send it to them along with a copy of the claim and any other supporting documents within two business days of receipt of the claim. The City Attorney shall coordinate the investigation of claims and may refer the investigation of any claim to ULGT.
5. Claims involving bodily injury and/or property damage in excess of \$10,000 will generally be handled by ULGT, unless agreed to otherwise.



6. The City Attorney shall determine the final resolution of claims. Claims with proposed settlements of over \$10,000 shall be resolved by the City Attorney with the advice and consent of the Governing Body and City Manager.
7. The City shall have 90 days to investigate and make a decision concerning a claim. A written decision may be provided. If no decision has been provided within 90 days the claim shall be deemed denied.

Release and Covenant Not to Sue Required

No claim or settlement shall be paid unless the claimant has executed a Release and Covenant Not to Sue form or other agreement prepared by ULGT or the City Attorney.

Claims made by the City for Subrogation of Damages

The City shall take all reasonable steps to recover damages from responsible parties if the cost of recovery is less than what the City might reasonably expect to recover.

1. City employees shall immediately notify the City Attorney, or the City's designated representative, when City property has been damaged or if the City has suffered other financial loss. In the case of a vehicle accident, the Employee Vehicle Accident/Occurrence Report and Risk Management Supervisor's Report of Accident will serve as adequate notice.
2. The City Attorney will place responsible parties on written notice that a claim is pending.
3. The City shall take appropriate action against any person that refuses to pay for damages for which they are responsible.

Lawsuit Procedures

1. Employees, officials or volunteers receiving any documents concerning a lawsuit against the City shall deliver such documents to the City Attorney no later than one business day after being served.
2. The City Attorney shall notify the City Manager and send a copy of documents received to ULGT within 48 hours.
3. The City Attorney and ULGT will work together to investigate lawsuits to recommend to Administration the most appropriate action to be taken.
4. Lawsuits that involve claims covered by the City's liability insurance may be defended by legal counsel retained by ULGT. The City Attorney shall coordinate defense efforts with ULGT.
5. All City employees, officers and volunteers shall cooperate fully in processing and defending any claim or lawsuit.

Claims, Proceedings or Legal Actions and Lawsuits Against Third Parties

No officer, employee or representative of Roy City acting in their official capacity shall file, or cause to be filed, or assert any claim, complaint, proceeding or legal action against any person and/or entity with any court, regulatory agency or other body, whether public or private, without first submitting the proposed claim, complaint, proceeding or legal action to the City Attorney for his review and recommendations to the City Manager regarding the advisability of instigating or filing such proceeding, claim, complaint or action.

Upon receiving authorization from the City Manager, the claim, complaint, proceeding or legal action may be instigated and filed by the City Attorney on behalf of any officer, employee or representative of the City acting in their official capacity.



Nothing contained herein shall prevent any officer, employee or representative of the City from instigating or commencing any claim, complaint, proceeding, or legal action in their capacity as individuals and not as officers, employees and/or representatives of the City, in which event such individuals shall hold the City harmless from any and all claims, causes of action, damages and expenses including attorney's fees arising out of the individual's claim, complaint, proceeding or legal action against any third parties.



2202 * ACCIDENT REVIEW BOARD

The Risk Management Committee, consisting of the Department Directors and City Manager, may review on-the-job accidents and may convene as the Accident Review Board (ARB) to; determine the cause of the accident, determine what could have been done to prevent the accident, recommend what should be done to prevent a similar accident from occurring in the future and recommend remedial training and/or discipline to the Department Director and City Manager.

ARB Policy

The Risk Management Committee may convene an ARB:

1. If an accident involves bodily injury or the resulting property damage is estimated to exceed \$1,000, and the accident may have been preventable, as determined by the Risk Management Committee. In this case the ARB will meet together with the involved employee and their Department Director. The Department Director responsible for the employee involved in the accident will sit as a non-voting, temporary member of the ARB and will chair the board during the ARB meeting.
2. If an accident involves no bodily injury and estimated property damages are less than \$1,000, and the accident is considered to be preventable by the Risk Management Committee. However, in this case the ARB may not require the attendance of the employee involved in the accident, and may only require attendance of the supervisors.

Accidents that are considered by the Risk Management Committee to be non-preventable shall not require an ARB meeting unless directed by the City Manager.

Scheduling an ARB Meeting

The City Manager's office will schedule an ARB meeting with the Department Director. If the employee involved in the accident is required to attend, the employee will be notified of the meeting by the Department Director, and told that they may present information regarding the accident.

Invitation of Other Persons to the ARB Meeting

The Risk Management Committee, Department Director or involved employee may invite others to attend the meeting for the purpose of presenting information. For example, the officer who prepared the report of the accident or the employee's supervisor or co-worker may be asked to attend the meeting to review the facts and their evaluation of the accident.

The Risk Management Specialist will serve as secretary to the Board.

Determinations to be Made by the ARB

Following the review of the information, the ARB shall determine the following:

1. cause of the accident,
2. whether or not the employee could have reasonably avoided the accident,
3. whether the employee was following safety policies,
4. how similar accidents may be prevented in the future, and
5. whether or not remedial training and/or discipline is appropriate and, if so, what the recommended training



and/or discipline should be.

Recommendations on appropriate action to be taken will be made by the Accident Review Board. A determination will be made depending on the severity, and the number of previous accidents. When the Department Director makes a determination on what appropriate action will take place, there must be documentation given to the Human Resources Coordinator and placed in the employee's personnel file.

Written Notification of ARB Findings and Recommendations

A written record summarizing the ARB's findings and recommendations will be prepared and kept by the Human Resources Coordinator. A copy shall be sent to the employee involved in the accident, the Department Director and the City Manager.

For any accident, a SIR (Significant Incident Report) shall be completed by the Department Director and forwarded to the Human Resources Coordinator for placement in the employee's file.

Disciplinary Action and Remedial Training

The ARB may recommend disciplinary action or remedial training to the Department Director and the City Manager. If the Department Director disagrees with the ARB's recommendation, the Director may request a meeting with the City Manager to present their views. The City Manager will then make the final determination.

Any disciplinary action taken shall be implemented in strict accordance with the City's Disciplinary Action Policy #1801. The employee's Department Director will be responsible for administering any remedial training in accordance with City policy.

Other

A summary of the disposition of each incident brought before the ARB shall be included in the minutes of the meetings of the ARB, which minutes are prepared at the request of the City Attorney. Therefore, the minutes are considered attorney work product and remain confidential.



RESOLUTION NO. 19-30

**A RESOLUTION APPROVING AND ADOPTING AN INTERLOCAL
AGREEMENT FOR MUTUAL AID FIRE PROTECTION AGREEMENT
BETWEEN ROY CITY AND NORTH DAVIS FIRE DISTRICT**

WHEREAS, Utah Code Annotated 11-13-101, et seq., and Utah Code Annotated 11-7-1, et seq., 1953, as amended, to provide a joint mutual agreement relating to the mutual response and use of firefighting equipment and personnel to fight structure fires and fire-service-related emergencies which include first response medical and basic ambulance transportation; and

WHEREAS, Roy City desires to enter into this agreement pursuant to the provisions of and authority granted to them by the Utah Inter-local Cooperation Act, as set forth in Title Utah Code Annotated 11-13-101, et seq., and Utah Code Annotated 11-7-1, et seq., 1953, as amended, which is attached as Exhibit "A".

NOW THEREFORE, be it resolved by Roy City that the attached Inter-local Agreement is approved.

Dated this ____ day of _____ 2019.

Robert Dandoy
Mayor

Attested:

Morgan Langholf
City Recorder

Councilmember Tafoya _____
Councilmember Paul _____
Councilmember Burrell _____
Councilmember Yeoman _____
Councilmember Saxton _____

RESOLUTION 19-31

**A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT WITH
NORTH DAVIS FIRE DISTRICT FOR THE BILLING AND COLLECTION
OF FEES FOR PARAMEDIC SERVICES RENDERED DURING
AMBULANCE TRANSPORT**

WHEREAS, Roy City renders physician medically directed Basic Life Support (BLS), Advanced Life Support (ALS), and Paramedic Services (ALS PMA) support; and,

WHEREAS, Roy City renders Basic Life Support (BLS) services, Advanced Life Support (ALS) services and Paramedic Services (ALS PMA) which includes primary ambulance transportation services, and charges fees for those services; and,

WHEREAS, the Parties (Roy City and North Davis Fire District) have prepared an agreement to provide in writing for the billing, collection, and distribution of those fees when Roy City renders ALS PMA services in conjunction with the North Davis Fire, a copy of which Agreement is attached hereto as Exhibit "A" and which is incorporated herein by this reference; and,

WHEREAS, Roy City and North Davis Fire District are authorized by the Utah Interlocal Cooperation Act, as set forth in Title 11, Chapter 13, Utah Code Annotated, to enter into the Interlocal Cooperative Agreement, which is attached as Exhibit "A."

NOW, THEREFORE, be it resolved by the Roy City Council that the attached Interlocal Agreement is approved.

PASSED AND ADOPTED this _____ day of _____, 2019.

Robert Dandoy
Mayor

Attested:

Morgan Langholf
City Recorder

Councilmember Tafoya _____
Councilmember Paul _____
Councilmember Burrell _____
Councilmember Yeoman _____
Councilmember Saxton _____

RESOLUTION NO. 19-32

A RESOLUTION ESTABLISHING 2020 CITY COUNCIL MEETING DATES

BE IT HEREBY RESOLVED that pursuant to Roy City Code 1-6-5 (G)(6), and the Utah State Code 52-3-202(2), the Roy City Council will hold its regular Council Meetings in the Roy City Municipal Building on the first and third Tuesdays of each month commencing January 1, 2020, at 5:30 p.m., excluding holidays:

2020

January 7
January 21
February 4
February 18
March 3
March 17
April 7
April 21
May 5
May 19
June 2
June 16

July 7
July 21
August 4
August 18
September 1
September 15
October 6
October 20
November 17
December 8
December 22

Passed this 19th of November, 2019.

Robert Dandoy
Mayor

Attest:

Morgan Langholf
City Recorder

Voting:

Councilmember Saxton
Councilmember Paul
Councilmember Burrell
Councilmember Tafoya
Councilmember Yeoman

RESOLUTION 19-27

A RESOLUTION CREATING ROY CITY VOTER PARTICIPATION AREAS

WHEREAS, House Bill 119, which was passed by the Utah State Legislature and signed into law by the Governor during the 2019 General Legislative Session requires municipalities to create Voter Participation Areas (VPAs) as set forth in Utah Code Annotated Section 20A-7-401.3; and

WHEREAS, Roy City, being a City of the third class, is required to create four (4) VPAs of a substantially equal population; and

WHEREAS, the Weber County Clerk/Auditors Office, which contracts with the City to conduct city elections, has, in accordance with HB119 requirements, proposed four (4) VPAs along existing voting precinct lines; and

WHEREAS, the City Council has reviewed the proposed VPAs and finds that they are contiguous and compact and of substantially equal population; and

WHEREAS, the Roy City Council hereby finds this action to be in the best interest of the public's health, safety, and general welfare.

NOW, THEREFORE, Be it resolved by the Roy City Council as follows:

SECTION 1. Adoption of Voter Participation Areas. The Roy City Council does hereby adopt four (4) Voter Participation Areas consisting of Roy City voting precincts as described below and depicted on the map which is attached hereto and incorporated by this reference as "Exhibit A".

Roy VPA Area A= ROY001, 006, 007, 008: 10234 Registered Voters

Roy VPA Area B= ROY002, 003, 004, 005, 009: 10469 Registered Voters

Roy VPA Area C= ROY010, 011, 012, 013, 014: 10128 Registered Voters

Roy VPA Area D= ROY015, 016, 017, 018, 019: 9817 Registered Voters

SECTION 2. Effective Date. This Resolution shall take effect immediately upon passage.

APPROVED, PASSED AND ADOPTED BY THE ROY CITY COUNCIL THIS ____ DAY OF NOVEMBER, 2019

Robert Dandoy
Mayor

Attested:

Morgan Langholz
City Recorder

Councilmember Tafoya	_____
Councilmember Paul	_____
Councilmember Burrell	_____
Councilmember Yeoman	_____
Councilmember Saxton	_____

RESOLUTION NO. 19-33
A RESOLUTION OF THE ROY CITY COUNCIL APPROVING A JOB DESCRIPTION
FOR A PART TIME RECREATION COMPLEX OFFICE CLERK SUPERVISOR

WHEREAS, Roy City maintains job descriptions on all employee positions; and

WHEREAS, each job description identifies the supervision received, supervision exercises, essential functions, and minimum qualifications for the position; and

WHEREAS, the City uses job descriptions to determine the appropriate pay ranges for position; and

WHEREAS, the City uses the job description to advertise for and hire qualified individuals to fill open positions; and

WHEREAS, the Parks and Recreation Department desires to establish a Part time Recreation Complex Office Clerk Supervisor position to enhance operations.

NOW THEREFORE, be it resolved by the Roy City Council that the Recreation Complex Office Clerk Supervisor job description which is attached hereto, be created and that the position be opened to accept applications, when available.

Approved and adopted this _____ day of November 2019.

Robert Dandoy, Mayor

Morgan Langholf, Recorder

Councilmember Burrell _____

Councilmember Saxton _____

Councilmember Tafoya _____

Councilmember Yeoman _____

Councilmember Paul _____

ROY CITY CORPORATION

Job Description

Title:	Office Clerk Supervisor	Code:
Division:	Administration	Effective Date: 11/19
Department:	Recreation Complex	Last Revised:

GENERAL PURPOSE

Performs a variety of **working level routine administrative and complex clerical duties** as needed to expedite the delivery of recreation complex programs and services. Follow established processes and procedures.

SUPERVISION RECEIVED

Works under general supervision of the Complex/Aquatic Center Supervisor

SUPERVISION EXERCISED

Provides close supervision to seasonal/part-time Office staff, as well as limited supervision of Lifeguard(s).

ESSENTIAL FUNCTIONS

Acts as receptionist; answers phone and routes calls; takes and relays messages; provides information to inquiring parties; prepares letters, reports, or other general correspondence; composes routine letters and informative notices; maintains various program and activity files, records and documents.

Assists in the registration of program participants; takes registration information and fees, issues receipts; allocates fee revenues to appropriate programs through ledger records or computer spread sheet; maintains daily list of registration activities to monitor participant levels and related program needs.

Disseminates information related to programs by telephone or personal contact; prepares mailings of flyers brochures and other program related notices.

Prepares summaries of program revenue as needed to complete various reports; performs general bookkeeping and routine accounting.

Assists with counter duties; admits facility patrons, receives fees, issues memberships, sells concessions and recreation products.

Performs related duties as required.

MINIMUM QUALIFICATIONS

1. Education and Experience:

A. Prior experience performing above or related duties;

2. Knowledge, Skills, and Abilities:

Working knowledge of modern office practices and procedures; of grammar, spelling and punctuation; of modern filing systems related to alphabetical and numeric files; personal computer operations and various program applications such as WordPerct, Lotus, etc. **Some knowledge** of administrative procedures; of legal processes associated with the maintenance of public records and documents; public relations and interpersonal communication skills, bookkeeping and basic accounting.

Skill in computer keyboard operations.

Ability to exercise initiative, independent judgment and to act resourcefully under varying conditions; communicate effectively verbally and in writing; ability to establish and maintain effective working relationships with fellow employees, elected officials and other agencies of the public; perform general bookkeeping; establish and maintain comprehensive records and files.

3. Special Qualifications:

Must be able to type 40 wpm.

4. Work Environment:

Incumbent of the position performs in an office setting with appropriate climate controls. Tasks require variety of physical activities such as walking, standing, stooping, sitting, reaching, talking, hearing and seeing. Rapid work speed required to perform keyboard operations. Common eye, hand, finger, leg and foot dexterity exist. Mental application utilizes memory for details, verbal instruction, emotional stability, discriminating thing and some creative problem solving.



SYNOPSIS

Application Information

Applicant: Roy City
Request: **5:30 p.m. – PUBLIC HEARING** – to consider Ord No. 19-16 – to amend the Roy City General Plan, Chapter 6 - Residential Development; Goal 3 - Future Moderate Income (Affordable) Housing Needs.

Staff

Report By: Steve Parkinson
Staff Recommendation: Approval

APPLICABLE STATE CODE

- UC 10-9a-403 - General Plan Preparation
 - 10-9a-403 (2) (b) (iii) a recommendation to implement three or more of the following strategies

APPLICABLE GENERAL PLAN

- Residential Development Goal 3; Future Moderate Income (Affordable) Housing Needs.

PLANNING COMMISSION ACTION

The Planning Commission held a Public Hearing on November 12, 2019, the hearing was opened – the Public made the following comments:

- Byron Burnett, 4375 South 2675 West, Concerned with having Mixed-use amongst Single-family Residential, having mixed use downtown would work. If the area between the tracks near his home develops as mixed use he would lose his view and privacy.
- Kevin Homer, 5398 South 4000 West, Supports residential zones with higher densities, would like to see small/tiny homes allowed. Doesn't support looking to received funds from the State or Federal government when they are in debt.

With no additional comments the public hearing was closed.

With no additional questions or discussion, the Commission voted 5-0; to forward to the City Council a recommendation of approval with the conditions and facts as stated within the staff report to amend the Roy City General Plan, Chapter 6 - Residential Development; Goal 3 - Future Moderate Income (Affordable) Housing Needs as proposed

ANALYSIS

Background:

During the 2019 Utah State Legislative session SB 34 was passed requiring all municipalities to have within their General Plan a Moderate Income Housing Element.

Our currently General Plan already has an Affordable Housing element within the Residential Development Chapter. In fact within the "Goals, Objectives and Policies" section Goal 3 deals with the Moderate Income Housing needs. but many of our goals at the time don't reflect any of the twenty-three (23) strategies identified by the state within SB 34.

The bill itself is 1905 lines long, it encompasses several sections of the State code, however there is really one section that we need to discuss tonight and figure out what to put into our General Plan. See Exhibit "A"



Within Exhibit “A” is the Utah State Code 10-9a-403, section (2) b. iii. (in Red text) states that municipalities shall include three (3) or more of the following strategies. There are twenty-three (23) [in blue] strategies to pick from. As you read the section provided, you’ll notice towards the end there is an area highlighted in yellow. This is stating that municipalities that have a fixed guideway public transit station also need to implement an additional strategy but it’s between “G” or “H”, so look at those two and figure out which one you would like to include.

On October 22, 2019 the Planning Commission reviewed the list of twenty-three (23) strategies coming up with at least ten (10) of the strategies that we could include into our current General Plan.

Now as everyone should know, last year we received a Transportation and Land Use Connection (TLC) grant from Wasatch Front Region Council (WFRC) to create a mixed use ordinance (Form Base Code) but also to update our seventeen year old General Plan.

In the next few months we should be reviewing the draft plan and proceeding towards adoption early 2020. But the State mandated that each City adopt into their General Plan a Moderate Income Housing element and 3-4 of those strategies before December 1, 2019.

FINDINGS

1. The proposed amendments are consistent with the General Plan.
2. Is consistent with previous discussions with the Planning Commission.

ALTERNATIVE ACTIONS

The Planning Commission can recommend Approval, Approval with conditions, Deny or Table.

RECOMMENDATION

Staff recommends approval of the of the proposed amendments to the Roy City General Plan, Chapter 6 - Residential Development; Goal 3 - Future Moderate Income (Affordable) Housing Needs.

EXHIBITS

- A. Resolution 19-3
- B. Utah State Code 10-9a-403
- C. Affordable Housing Section of our Current General Plan
- D. Ord No 19-16



A RESOLUTION OF THE CITY OF ROY, UTAH REGARDING UTAH’S HOUSING NEEDS.

WHEREAS, Utah’s population growth is among the highest in the nation, the result of a strong economy, larger family sizes and high quality life measures; and

WHEREAS, the developable land in Utah’s most populated valleys is rapidly disappearing; and

WHEREAS, research conducted by the University of Utah has shown that for the first time in 40 years Utah has had more new households than new housing units provided, resulting in a housing shortage that is contributing to housing costs to increasing, so that many Utah families are struggling to meet their housing needs; and

WHEREAS, since 2011 this housing gap, or shortage of housing, is estimated to be above 50,000 units and growing each year, even as Utah led the nation in percentage terms of housing construction last year.

WHEREAS, "Housing affordability" means the ability of a household to occupy a housing unit paying no more than 30% of the household's income for gross housing costs, including utilities.

WHEREAS, the current affordable housing crisis in Utah is concentrated in households with incomes below the median income but left unaddressed the median price of a home in the Wasatch Front would be \$700,000 within in a generation impacting a majority of Utah families.

WHEREAS, accommodating a significant portion of Utah’s population growth in proximity to employment opportunities allows people to live closer to work, reduce driving, reduce air pollution, reduce household transportation costs, decrease infrastructure costs, and maintain and improve the quality of life for Utah’s residents; and

WHEREAS, cities that adopt measures encouraging and supporting housing affordability will improve the overall prosperity, air quality, as well as reduce housing and transportation cost not only for their cities, but for the region and state.

WHEREAS, reducing regulatory barriers and fees to all types of housing will improve housing affordability, maintain Utah’s premier business climate, and decrease infrastructure costs; and

WHEREAS, the Salt Lake Chamber’s Housing GAP Coalition is working with local governments to raise awareness about the choices to promote and increase housing affordability, preserve our strong economy and protect the quality of life in the face of rapid growth.



NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF ROY, UTAH:

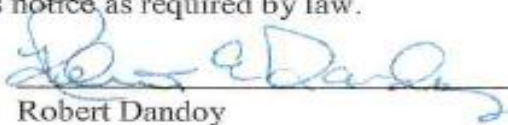
SECTION 1. Pledge of support. Together with other Utah local governments and community stakeholders, we as a city are committed to ensuring housing affordability is attainable for all Utah residents, and we recognize our ability to implement various smart growth strategies to promote and maintain housing affordability.

SECTION 2. Measures to be taken. The city pledges to adopt and implement measures that are designed to:

1. Minimize barriers, including exercising restraint in impact and permit fee increases, to the provision of all housing and provides housing opportunity for all of incomes and life stages;
2. Review and reform existing practices, including zoning, impact and other fees, and other potential impacts that would negatively impact housing affordability;
3. Plan and allow significant housing opportunities near employment centers, public transportation, and other amenities;
4. Increasing public and government awareness and understanding of the housing affordability needs of our city, region and state;
5. Think and coordinate regionally about local land use decisions;
6. Align housing, infrastructure, and economic development efforts; and
7. Promote collaboration with other communities, elected officials, and stakeholders on additional solutions.

Toward these ends, we will review and, as needed, update our general plan, comply with the 2018 moderate income housing legislation, and take other steps as appropriate.

SECTION 3. Effective Date. This Resolution shall become effective immediately upon passage by the legislative body and upon its notice as required by law.


Robert Dandoy

Mayor

Attested:


Morgan Langholf
City Recorder



Councilmember Tafoya
Councilmember Paul
Councilmember Burrell
Councilmember Yeoman
Councilmember Saxton

aye
aye
ABSENT
aye
aye

S.B. 34 – AFFORDABLE HOUSING MODIFICATIONS

10-9a-403. General plan preparation.

(1)

- a. The planning commission shall provide notice, as provided in Section [10-9a-203](#), of its intent to make a recommendation to the municipal legislative body for a general plan or a comprehensive general plan amendment when the planning commission initiates the process of preparing its recommendation.
- b. The planning commission shall make and recommend to the legislative body a proposed general plan for the area within the municipality.
- c. The plan may include areas outside the boundaries of the municipality if, in the planning commission's judgment, those areas are related to the planning of the municipality's territory.
- d. Except as otherwise provided by law or with respect to a municipality's power of eminent domain, when the plan of a municipality involves territory outside the boundaries of the municipality, the municipality may not take action affecting that territory without the concurrence of the county or other municipalities affected.

(2)

- a. At a minimum, the proposed general plan, with the accompanying maps, charts, and descriptive and explanatory matter, shall include the planning commission's recommendations for the following plan elements:
 - i. a land use element that:
 - (A) designates the long-term goals and the proposed extent, general distribution, and location of land for housing for residents of various income levels, business, industry, agriculture, recreation, education, public buildings and grounds, open space, and other categories of public and private uses of land as appropriate; and
 - (B) may include a statement of the projections for and standards of population density and building intensity recommended for the various land use categories covered by the plan;
 - ii. a transportation and traffic circulation element that:
 - (A) provides the general location and extent of existing and proposed freeways, arterial and collector streets, public transit, active transportation facilities, and other modes of transportation that the planning commission considers appropriate;
 - (B) for a municipality that has access to a major transit investment corridor, addresses the municipality's plan for residential and commercial development around major transit investment corridors to maintain and improve the connections between housing, employment, education, recreation, and commerce;
 - (C) for a municipality that does not have access to a major transit investment corridor, addresses the municipality's plan for residential and commercial development in areas that will maintain and improve the connections between housing, transportation, employment, education, recreation, and commerce; and
 - (D) correlates with the population projections, the employment projections, and the proposed land use element of the general plan; and
 - iii. for a municipality described in Subsection [10-9a-401\(3\)\(b\)](#), a plan that provides a realistic opportunity to meet the need for additional moderate income housing.
- b. In drafting the moderate income housing element, the planning commission:
 - i. shall consider the Legislature's determination that municipalities shall facilitate a reasonable opportunity for a variety of housing, including moderate income housing:
 - (A) to meet the needs of people of various income levels living, working, or desiring to live or work in the community; and
 - (B) to allow people with various incomes to benefit from and fully participate in all aspects of neighborhood and community life;

- ii. for a town, may include, and for other municipalities, shall include, an analysis of how the municipality will provide a realistic opportunity for the development of moderate income housing within the next five years;
- iii. for a town, may include, and for other municipalities, shall include, a recommendation to implement three or more of the following strategies:
 - (A) rezone for densities necessary to assure the production of moderate income housing;
 - (B) facilitate the rehabilitation or expansion of infrastructure that will encourage the construction of moderate income housing;
 - (C) facilitate the rehabilitation of existing uninhabitable housing stock into moderate income housing;
 - (D) consider general fund subsidies or other sources of revenue to waive construction related fees that are otherwise generally imposed by the city;
 - (E) create or allow for, and reduce regulations related to, accessory dwelling units in residential zones;
 - (F) allow for higher density or moderate income residential development in commercial and mixed-use zones, commercial centers, or employment centers;
 - (G) encourage higher density or moderate income residential development near major transit investment corridors;
 - (H) eliminate or reduce parking requirements for residential development where a resident is less likely to rely on the resident's own vehicle, such as residential development near major transit investment corridors or senior living facilities;
 - (I) allow for single room occupancy developments;
 - (J) implement zoning incentives for low to moderate income units in new developments;
 - (K) utilize strategies that preserve subsidized low to moderate income units on a long-term basis;
 - (L) preserve existing moderate income housing
 - (M) reduce impact fees, as defined in Section 11-36a-102, related to low and moderate income housing;
 - (N) participate in a community land trust program for low or moderate income housing;
 - (O) implement a mortgage assistance program for employees of the municipality or of an employer that provides contracted services to the municipality;
 - (P) apply for or partner with an entity that applies for state or federal funds or tax incentives to promote the construction of moderate income housing;
 - (Q) apply for or partner with an entity that applies for programs offered by the Utah Housing Corporation within that agency's funding capacity;
 - (R) apply for or partner with an entity that applies for affordable housing programs administered by the Department of Workforce Services; ~~and~~
 - (S) apply for or partner with an entity that applies for programs administered by an association of governments established by an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act;
 - (T) apply for or partner with an entity that applies for services provided by a public housing authority to preserve and create moderate income housing;
 - (U) apply for or partner with an entity that applies for programs administered by a metropolitan planning organization or other transportation agency that provides technical planning assistance;
 - (V) utilize a moderate income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency; and
 - (W) any other program or strategy implemented by the municipality to address the housing needs of residents of the municipality who earn less than 80% of the area median income; and
- iv. in addition to the recommendations required under Subsection (2)(b)(iii), for a municipality that has a fixed guideway public transit station, shall include a recommendation to implement the strategies described in Subsection (2)(b)(iii)(G) or (H).

Residential Development

Affordable Housing: The Utah State Legislature (H.B. 295/UCA 10-9-307) requires that municipalities provide a reasonable opportunity for their low/moderate income individuals and/or families to live in housing they can afford. The law directs the communities to provide low/moderate income housing and encourage its development to further allow persons earning in the low/moderate income category the opportunity to reside in the community.

Affordable housing defined as housing that can be occupied by persons whose household income is 80 percent or less than the county’s median income. In order to be considered affordable, housing costs must not exceed 30 percent of a household’s gross monthly income. The 30 percent includes taxes and insurance for both owner occupied and rental units.

In Weber County, generally, low income for a family of three is considered to be \$38,450, and for a family of four is considered to be \$42,700 according to the Department of Housing and Urban Development. Low income family income in Roy is considered to be about the same as for Weber County. Also, a great majority of the families in Roy range between three and four members in size. Based on these income statistics, a family of three would be able to afford, at a maximum, a monthly mortgage payment (includes taxes and insurance), or rent, of about \$1,009 per month. A family of four would be able to afford, at a maximum, a monthly mortgage or rent payment of \$1,252. Considering these monthly income statistics and a mortgage interest rate of 7 percent, a family of three could qualify for a house valued at \$129,800, and a family of four could qualify for a house valued at \$144,100.

Existing Supply - In January, 2001, the Multiple Listings for Roy indicated that there were 266 active listings, of which 80 were considered new (one year old or less), and the remaining being older than one year. The 4th Quarter of 2000 statistics for Roy (zip code 84067) indicate that the average selling price was \$118,852. There was essentially no change in average selling price, either up or down, compared with the statistics of the 4th Quarter of 1999. In the 4th Quarter of 2000, the average selling price for Weber County, generally, was \$131,813, or almost \$13,000 higher than the average selling price for Roy.

The City of Roy has a fairly substantial inventory of existing improved residential building lots. As of December 31, 2000, there were a total of 727 residential lots available in approved subdivisions. This inventory would last just a little under two years considering the city’s current growth of about 1000 people per year. Of these 727 lots, about 51 percent, are zoned R-1-8, (single family-minimum lot size of 8,000 square feet). About 15 percent of the lots are zoned R-1-7 (single family-minimum lot size of 7,000 square feet), about 1 percent of the lots are zone R-1-6 (single family-minimum lot size of 6,000 square feet), 20 percent are zoned RE-15 and 20 (single family-minimum lot sizes range between 15,000 and 20,000 square feet).

Five-Year Need - The City’s population is growing at about 1000 people per year. If it can be assumed that the City’s current population is about 33,300, and there are 11,289 housing units, then the population per dwelling unit would amount to about 2.95. If the City adds another 5,000 people in 5 years, then using the population per dwelling unit ratio above, the City would need another 1,695 dwelling units, or 339 units per year. Using 1999 Utah State Tax Commission adjusted grow income statistics, and adjusting them to 2000, it is estimated that about 57 percent of the households in Roy could be categorized as low income. Therefore, if the future income characteristics remain unchanged, then about 57 percent of the projected future housing, both new and used, would need to be priced at \$144,100, or less. If all new move-ins (from outside the City), or move ups (from within and without the City), were to purchase new homes, or used ones, it would be assumed that 57 percent of the homes would need to be within the price range which a low income family of four could afford. Annually, 193 homes would need to be available at \$144,100, or less. With the average price of a home selling at about \$119,000 in Roy over the past year, it is assumed that there would be more than an ample opportunity for a low income family of four to be able to find a suitable and affordable home in the City. In Roy, during all of the year 2000, 310

homes (out of 494) sold at a selling price of \$125,000, which is well within the upper limit of what a low income family of four could afford.

Total Residential Zoning - The total of the City's residential zones amounts to 89.11 percent of the entire area of the City. The great majority of the City is zoned for single family residential with lots of 10,000 square feet or smaller. Only 13 percent of the City's area is zoned for larger lots, or lots between 15,000 and 20,000 square feet. About 7 percent of the City's area is zoned for multi-family residential.

Effect of Existing Zoning - The City of Roy's existing zoning districts accommodate a very broad range of uses and densities. The residential zones range from one-half acre estates to mobile home parks and apartments. As a result of this diversification of residential zoning districts, the City provides ample opportunity for families and individuals with incomes categorized, or considered, as low income to live in housing that they can afford. There is nothing in the City's Zoning Ordinances, or in the range of residential districts that could be considered to be discriminatory to lower income families or individuals. The great majority (89 percent) of the residential zoning districts allow for 10,000 square feet lots or less, which keeps land costs associated with housing to a minimum. Also, there are no minimum house (floor area) sizes specified in the Zoning Ordinances that might result in an unreasonable increase in the cost of housing.

City Programs - The City does not have any specific programs that deal with low income housing. The City does not have a housing authority, nor does it have a housing rehabilitation, or rent subsidy programs. However, the Ogden Housing Authority, and Weber County, provide these programs to the various local city governments, including the City of Roy.

Goals, Objectives, and Policies

Goal 3: To meet existing and future moderate income (affordable) housing needs of the City.

Objective I: Provide realistic opportunities to meet the objectives of the State Moderate Income Housing Law.

Policy A: The infrastructure needs, if any, should be provided for, particularly if the improvements enable improvements in the quality and availability of affordable housing and the neighborhoods in which they are found.

Policy B: Ensure that the City's Zoning Ordinance does not create barriers for implementing affordable residential developments.

Policy C: Encourage the rehabilitation of existing uninhabitable housing stock, when feasible, and make them available to moderate income families.

Policy D: Consider waiving a portion of the fees generally required by the City's building and other permits.

Policy E: The City should find ways in which greater utilization of local, state, and federal funds could be used to promote the development of moderate income housing.

Policy F: The City should make greater use of programs offered by the Utah Housing Finance Agency, and the Utah Department of Community and Economic Development, for the development of affordable housing.

Policy G: The housing needs for low and moderate income families and senior citizens in Roy City shall be determined by the City on a regular basis, or as the need arises.

Policy H: The City should support affordable housing programs that include the construction of new units, the utilization of existing units, as well as the renovation of sub-standard units.

ORDINANCE No. 19-16

AN ORDINANCE ESTABLISHING AMENDMENTS TO CHAPTER 6 – RESIDENTIAL DEVELOPMENT; GOAL 3 – FUTURE MODERATE INCOME (AFFORDABLE) HOUSING NEEDS AS PART OF THE GENERAL PLAN

WHEREAS, the Planning Commission held a public hearing to review the petition and favorably recommended the change; and

WHEREAS, the City Council finds that the proposed amendment will advance the existing goals, objectives and policies of the General Plan and is assured that the change will not be detrimental to the appropriate residential use of the property; and

WHEREAS, the City Council has reviewed and considered the same in a public meeting.

NOW, THEREFORE, be it hereby ordained by the City Council of Roy City, Utah, amends the General Plan Chapter 6; Goal 3, to include Objectives 2, 3 and 4 as attached:

Note - Language to be added has been **bolded** and language to be removed has been ~~struck~~ through.

This Ordinance has been approved by the following vote of the Roy City Council:

Councilman Burrell _____

Councilman Paul _____

Councilman Saxton _____

Councilman Tafoya _____

Councilman Yeoman _____

This Ordinance shall become effective immediately upon passage, lawful posting, and recording. This Ordinance has been passed by the Roy City Council this _____ Day of _____, 2019.

Robert Dandoy
Mayor

Attested and Recorded:

Morgan Langholf
City Recorder

ADD

Chapter 6 Residential Development

Goal 3: To meet existing and future moderate income (affordable) housing needs of the City.

Objective 2: Apply for or Partner with an Entity that applies Affordable Housing Programs (M, R, S, T, U).

Policy A: Apply for or partner with an entity that applies for affordable housing programs administered by the Department of Workforce Services;

Policy B: Apply for or partner with an entity that applies for programs administered by an association of governments established by an inter-local agreement under Title II, Chapter 13, Inter-local Cooperation Act;

Policy C: Apply for or partner with an entity that applies for services provided by a public housing authority to preserve and create moderate income housing;

Policy D: Apply for or partner with an entity that applies for programs administered by a metropolitan planning organization or other transportation agency that provides technical planning assistance;

Policy E: Reduce impact fees, as defined in UC [II-36a-102](#), related to low and moderate income housing

Objective 3: Utilize a Moderate Income Housing set aside from a Community Reinvestment Area (V)

Policy A: Utilize a moderate income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency; the City should find ways in which greater utilization of local, state, and federal funds could be used to promote the development of moderate income housing.

Objective 4: Allow for Higher Density and Mixed Use (F, G, H, J).

Policy A: Allow for higher density or moderate income residential development in commercial and mixed-use zones, commercial centers, or employment centers;

Policy B: Encourage higher density or moderate income residential development near major transit investment corridors;

Policy C: Eliminate or reduce parking requirements for residential development where a resident is less likely to rely on the resident's own vehicle, such as residential development near major transit investment corridors or senior living facilities;

Policy D: Implement zoning incentives for low to moderate income units in new developments.

ORDINANCE NO. 19-17

AN ORDINANCE OF THE ROY CITY COUNCIL ADOPTING AN OFFICIAL PLAN FOR THE 1900 SOUTHWEST COMMUNITY REINVESTMENT PROJECT AREA, AS APPROVED BY THE REDEVELOPMENT AGENCY OF ROY AND DIRECTING THAT NOTICE OF THE ADOPTION BE GIVEN AS REQUIRED BY STATUTE.

WHEREAS the Board of the Redevelopment Agency of Roy (the “Agency”), having prepared a Project Area Plan (the “Plan”) for the 1900 Southwest Community Reinvestment Project Area (the “Project Area”), the legal description of which is attached hereto as **EXHIBIT A**, pursuant to Utah Code Annotated (“UCA”) § 17C-5-105, and having held the required public hearing on the Plan on November 19, 2019, pursuant to UCA § 17C-5-104, adopted the Plan as the Official Community Reinvestment Plan for the Project Area; and

WHEREAS the Utah Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the UCA (the “Act”) mandates that, before the community reinvestment project area plan approved by an agency under UCA § 17C-5-104 may take effect, it must be adopted by ordinance of the legislative body of the community that created the agency in accordance with UCA § 17C-5-109; and

WHEREAS the Act also requires that notice is to be given by the community legislative body upon its adoption of a community reinvestment project area plan under UCA § 17C-5-110.

NOW, THEREFORE, BE IT ORDAINED BY THE ROY CITY COUNCIL AS FOLLOWS:

- 1.** Roy City adopts and designates the Project Area Plan, as approved by the Agency Board, as the official community reinvestment plan for the Project Area (the “Official Plan”).
- 2.** City staff and consultants are authorized and directed to publish or cause to be published the notice required by the Act, at which time the Official Plan will become effective.
- 3.** The Agency may proceed to carry out the Official Plan upon its adoption.
- 4.** This ordinance takes effect immediately.

APPROVED AND ADOPTED this November 19, 2019.

Attest:

Council Chair

City Recorder

PROJECT AREA LEGAL DESCRIPTION

ROY CITY REDEVELOPMENT AGENCY AREA 1 BOUNDARY DESCRIPTION

A PART OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN U.S. SURVEY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 14; RUNNING THENCE NORTH 89°43'37" WEST 660.00 FEET ALONG THE SOUTH LINE OF SAID SECTION TO THE SOUTHERLY EXTENSION OF THE CENTERLINE OF 2000 WEST STREET; THENCE NORTH 00°16'40" EAST 660.08 FEET ALONG SAID CENTERLINE TO THE NORTHWEST CORNER OF PARCEL NO. 09-046-0017 AS RECORDED IN ENTRY NO. 2750947; THENCE SOUTH 89°43'12" EAST 175.00 FEET ALONG SAID PARCEL TO THE SOUTHWEST CORNER OF PARCEL NO. 09-044-0010 AS SHOWN IN RECORD OF SURVEY NO. 4252 AS RECORDED IN THE WEBER COUNTY SURVEYOR'S OFFICE; THENCE NORTH 00°16'40" EAST 337.80 FEET ALONG SAID WEST LINE AND NORTHERLY EXTENSION ALONG THE WEST LINE OF LOT 2 OF KELTER SUBDIVISION AS RECORDED IN BOOK 56 AT PAGE 60 IN THE WEBER COUNTY RECORDER'S OFFICE; THENCE SOUTH 89°43'20" EAST 180.00 FEET ALONG THE NORTH LINE OF SAID LOT 2 TO THE EAST LINE OF LOT 1 OF SAID SUBDIVISION; THENCE NORTH 00°16'40" EAST 132.18 FEET ALONG SAID EAST LINE TO THE NORTH LINE OF PARCEL NO. 09-044-0007 AS RECORDED IN ENTRY NO. 1236547 IN THE WEBER COUNTY RECORDER'S OFFICE; THENCE SOUTH 89°43'20" EAST 305.00 FEET ALONG SAID PARCEL AND ITS EASTERLY EXTENSION TO THE EAST LINE OF SAID SECTION; THENCE SOUTH 00°16'40" WEST 1,130.00 FEET ALONG SAID SECTION LINE TO THE POINT OF BEGINNING.

CONTAINS 14.69 ACRES MORE OR LESS

ORDINANCE NO. 19-17

AN ORDINANCE OF THE ROY CITY COUNCIL ADOPTING AN OFFICIAL PLAN FOR THE 1900 SOUTHEAST COMMUNITY REINVESTMENT PROJECT AREA, AS APPROVED BY THE REDEVELOPMENT AGENCY OF ROY AND DIRECTING THAT NOTICE OF THE ADOPTION BE GIVEN AS REQUIRED BY STATUTE.

WHEREAS the Board of the Redevelopment Agency of Roy (the “Agency”), having prepared a Project Area Plan (the “Plan”) for the 1900 Southeast Community Reinvestment Project Area (the “Project Area”), the legal description of which is attached hereto as **EXHIBIT A**, pursuant to Utah Code Annotated (“UCA”) § 17C-5-105, and having held the required public hearing on the Plan on November 19, 2019, pursuant to UCA § 17C-5-104, adopted the Plan as the Official Community Reinvestment Plan for the Project Area; and

WHEREAS the Utah Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the UCA (the “Act”) mandates that, before the community reinvestment project area plan approved by an agency under UCA § 17C-5-104 may take effect, it must be adopted by ordinance of the legislative body of the community that created the agency in accordance with UCA § 17C-5-109; and

WHEREAS the Act also requires that notice is to be given by the community legislative body upon its adoption of a community reinvestment project area plan under UCA § 17C-5-110.

NOW, THEREFORE, BE IT ORDAINED BY THE ROY CITY COUNCIL AS FOLLOWS:

- 1.** Roy City adopts and designates the Project Area Plan, as approved by the Agency Board, as the official community reinvestment plan for the Project Area (the “Official Plan”).
- 2.** City staff and consultants are authorized and directed to publish or cause to be published the notice required by the Act, at which time the Official Plan will become effective.
- 3.** The Agency may proceed to carry out the Official Plan upon its adoption.
- 4.** This ordinance takes effect immediately.

APPROVED AND ADOPTED this November 19, 2019.

Attest:

Council Chair

City Recorder

PROJECT AREA LEGAL DESCRIPTION

ROY CITY REDEVELOPMENT AGENCY AREA 2 BOUNDARY DESCRIPTION

A PART OF THE WEST HALF OF SECTION 13, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN U.S. SURVEY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF SECTION 13 WHICH IS NORTH 00°16'40" EAST 521.20 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 13; CONTINUING THENCE NORTH 00°16'40" EAST 804.72 FEET ALONG SAID SECTION LINE TO THE WESTERLY EXTENSION OF THE NORTH LINE OF PARCEL NO. 08-113-0034; THENCE SOUTH 89°38'58" EAST 550.77 FEET ALONG SAID NORTH LINE TO THE WEST LINE OF THE UNION PACIFIC RAILROAD RIGHT-OF-WAY; THENCE NORTH 13°04'06" EAST 902.87 FEET ALONG SAID WEST LINE TO THE NORTHEAST CORNER OF PARCEL NO. 08-114-0008 AS SHOWN IN RECORD OF SURVEY NO. 4318 AS RECORDED IN THE WEBER COUNTY SURVEYOR'S OFFICE; THENCE THE FOLLOWING THREE (3) COURSES AND DISTANCES ALONG SAID PARCEL; (1) SOUTH 74°03'40" WEST 138.79 FEET; (2) NORTH 36°05'20" WEST 49.96 FEET; (3) SOUTH 52°30'39" WEST 135.53 FEET TO THE EAST MOST LINE OF PARCEL NO. 08-114-0043; THENCE SOUTH 13°13'20" EAST 126.02 FEET ALONG SAID EAST LINE TO THE SOUTH LINE OF SAID PARCEL; THENCE SOUTH 89°31'40" WEST 138.70 FEET ALONG SAID SOUTH LINE AND EXTENDED ALONG THE SOUTH LINE OF PARCEL NO. 08-114-0044 TO THE NORTH LINE OF PARCEL NO. 08-115-0020 AS SHOWN IN SAID RECORD OF SURVEY; THENCE THE FOLLOWING THREE (3) COURSES AND DISTANCE ALONG SAID PARCEL; (1) NORTH 37°29'20" WEST 41.37 FEET; (2) SOUTH 52°30'40" WEST 108.22 FEET; (3) NORTH 73°08'43" WEST 151.02 FEET; THENCE NORTH 89°43'20" WEST 115.72 FEET TO THE SAID WEST LINE OF SECTION 13; THENCE NORTH 00°16'40" EAST 21.59 FEET ALONG SAID WEST LINE TO THE SOUTHWESTERLY EXTENSION OF THE CENTERLINE OF RIVERDALE ROAD; THENCE NORTH 52°30'40" EAST 1685.65 FEET ALONG SAID CENTERLINE TO THE ROY CITY CORPORATE LIMITS LINE; THENCE SOUTH 00°37'09" WEST 95.32 FEET ALONG SAID CORPORATE LIMITS LINE TO THE SOUTH RIGHT-OF-WAY LINE OF SAID RIVERDALE ROAD; THENCE NORTH 52°30'40" EAST 224.91 FEET ALONG SAID SOUTH RIGHT-OF-WAY LINE AND ALONG SAID CORPORATE LIMITS LINE TO THE WEST RIGHT-OF-WAY LINE OF INTERSTATE 15; THENCE THE FOLLOWING SIX (6) COURSES AND DISTANCES ALONG SAID WEST RIGHT-OF-WAY LINE; (1) SOUTH 11°28'25" WEST 469.91 FEET; (2) SOUTH 15°08'02" WEST 1456.40 FEET; (3) SOUTH 19°54'02" WEST 277.05 FEET TO A POINT OF CURVATURE WITH A 1095.92 FOOT RADIUS TO THE RIGHT; (4) 240.69 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 12°35'00" (CHORD BEARS SOUTH 26°11'32" WEST 240.20 FEET); (5) SOUTH 32°29'02" WEST 92.79 FEET TO A POINT OF CURVATURE WITH A 1195.92 FOOT RADIUS CURVE TO THE LEFT; (6) 302.69 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 14°30'05" (CHORD BEARS SOUTH 25°13'59" WEST 301.88 FEET) TO THE SOUTHEAST CORNER OF PARCEL NO. 08-113-0012 AS SHOWN IN RECORD OF SURVEY NO. 3131 AS RECORDED IN THE WEBER COUNTY SURVEYOR'S OFFICE; THENCE NORTH 89°40'16" WEST 230.95 FEET ALONG THE SOUTH LINE OF SAID PARCEL AND ITS WESTERLY EXTENSION TO THE CENTERLINE OF THE UNION PACIFIC RAILROAD AND SAID POINT ALSO BEING A POINT OF NON-CURVATURE WITH A 2884.84 FOOT RADIUS CURVE TO THE RIGHT; THENCE 118.45 FEET ALONG SAID CURVE AND SAID CENTERLINE THROUGH A CENTRAL ANGLE OF 02°21'09" (CHORD BEARS NORTH 08°37'28" EAST 118.44 FEET) TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF PARCEL NO. 08-113-0029; THENCE NORTH 89°43'20" WEST 192.00 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF SAID PARCEL NO. 08-113-0027; THENCE SOUTH 00°25'16" WEST 4.00 FEET ALONG SAID EAST LINE TO THE SOUTH LINE OF SAID PARCEL; THENCE NORTH 89°43'20" WEST 264.50 FEET ALONG SAID SOUTH LINE AND ITS WESTERLY EXTENSION TO THE POINT OF BEGINNING.

CONTAINS 42.61 ACRES MORE OR LESS.

ROY CITY RDA BOARD MEETING AGENDA

NOVEMBER 19, 2019 – 6:00 P.M.

ROY CITY COUNCIL CHAMBERS – 5051 SOUTH 1900 WEST

A. Welcome & Roll Call

B. Consent Items

1. Approval of the September 17 and October 1, 2019 Redevelopment Agency Meeting Minutes

D. Action Items

1. **6:00 p.m. – PUBLIC HEARING** – to consider project area plan and budget for the 1900 Southwest Community Reinvestment Project Area
 - a. **Resolution 19-5** approving and adopting the 1900 Southwest Community Reinvestment Project Area Plan.
 - b. **Resolution 19-6** approving and adopting the 1900 Southwest Community Reinvestment Project Area Plan Budget.
2. **6:00 p.m. - PUBLIC HEARING**- to consider project area plan and budget for the 1900 Southwest Community Reinvestment Project Area.
 - a. **Resolution 19-7** approving and adopting the 1900 Southeast Community Reinvestment Project Area Plan.
 - b. **Resolution 19-8** approving and adopting the 1900 Southeast Community Reinvestment Project Area Plan Budget.

D. Adjournment

In compliance with the Americans with Disabilities Act, persons needing auxiliary communicative aids and services for these meetings should contact the Administration Department at (801) 774-1020 or by email: admin@royutah.org at least 48 hours in advance of the meeting.

Pursuant to Section 52-4-7.8 (1)(e) and (3)(B)(ii) “Electronic Meetings” of the Open and Public Meetings Law, Any Councilmember may participate in the meeting via teleconference, and such electronic means will provide the public body the ability to communicate via the teleconference. The anchor location shall be the Roy City Council Chambers located at 5051 South 1900 West, Roy Utah.

Certificate of Posting

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda was posted in a public place within the Roy City limits on this 15th day of November, 2019. A copy was also provided to the Standard Examiner and posted on the Roy City Website and Utah Public Notice Website on the 15th day of November, 2019.

Minutes of the Roy City Redevelopment Agency Meeting held in the City Council Chambers of the Roy City Municipal Building on September 17, 2019 at 6:10 p.m.

Notice of the meeting was posted at least 24 hours in advance. A copy of the agenda was posted.

The following members were in attendance:

Chair Robert Dandoy
Boardmember Burrell
Boardmember Yeoman
Boardmember Saxton
Boardmember Tafoya

City Manager, Matt Andrews
City Attorney, Andy Blackburn

A. Welcome & Roll Call

Chair Dandoy called the meeting to order and noted that Board members Burrell, Tafoya, Yeoman, and Saxton were present.

B. Consent Items

1. Approval of the August 27, 2019 Redevelopment Agency Minutes

Board member Yeoman made a motion to approve the meeting minutes from August 27, 2019. Board member Saxton seconded the motion. The motion passed with the unanimous consent of the Board.

C. Action Items

Board member Yeoman made a motion to go into a closed door meeting for a strategy session to discuss the acquisition of Real Property to be held in the administration conference room across the hall. Board member Saxton seconded the motion. A roll call vote was taken, all members voted “aye”. The motion carried.

****The meeting was moved to the administration conference room at 6:16 pm AND IS A PROTECTED RECORD. In addition to the Boardmembers listed above, Randy Sant, Matt Andrews, Andy Blackburn, and Camille Cook were also present. The above listed items were discussed.**

Board member Tafoya made a motion to go out of the Closed Door meeting. Board member Yeoman seconded the motion. All members voted “aye”. The motion carried.

Board member Tafoya made a motion to adjourn the RDA board meeting. Board member Yeoman seconded the motion. All members voted “aye”. The motion carried.

Robert Dandoy
Chair

Attest:

Morgan Langholf
City Recorder

Minutes of the Roy City Redevelopment Agency Meeting held in the City Council Chambers of the Roy City Municipal Building on October 1, 2019 at 5:42 p.m.

Notice of the meeting was provided to the Utah Public Notice Website at least 24 hours in advance. A copy of the agenda was posted.

The following members were in attendance:

Chair Robert Dandoy
Boardmember Burrell
Boardmember Yeoman
Boardmember Saxton
Boardmember Tafoya
Board member Paul

City Manager, Matt Andrews
City Attorney, Brody Flint

A. Welcome & Roll Call

Chair Dandoy called the meeting to order and noted that Boardmembers Burrell, Tafoya, Paul, Yeoman, and Saxton were present.

B. Action Items

Boardmember Yeoman made a motion to go into a closed door meeting for a strategy session to discuss the acquisition of Real Property to be held in the administration conference room across the hall. Boardmember Paul seconded the motion. A roll call vote was taken, all Boardmembers voted “Aye.” The motion carried.

***The meeting was moved to the administration conference room at 5:43 pm and is a protected record. In addition to the Boardmembers listed above, Randy Sant, City Manager, Matt Andrews, City Attorney, Brody Flint, were also present. The above-listed item was discussed.*

Boardmember Yeoman made a motion to go out of the Closed Door meeting at 6:30 pm. Boardmember Paul seconded the motion. All Boardmembers voted “Aye.” The motion carried.

Boardmember Paul made a motion to adjourn the RDA Board meeting at 6:31 pm. Boardmember Saxton seconded the motion. All Boardmembers voted “Aye.” The motion carried.

Robert Dandoy
Chair

Attest:

Morgan Langholf

City Recorder

1900 SOUTHWEST COMMUNITY REINVESTMENT DRAFT PROJECT AREA PLAN

The Redevelopment Agency of Roy, Utah



October 2019

PREPARED BY:
RS CONTRACT
MANAGEMENT

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SECTION 1: INTRODUCTION

The Redevelopment Agency of Roy, Utah (the "Agency"), following thorough consideration of the needs and desires of Roy City (the "City") and its residents, as well as the City's capacity for new development, has carefully crafted this Project Area Plan (the "Plan") for the 1900 Southwest Community Reinvestment Project Area (the "Project Area"). This Plan is the result of a comprehensive evaluation of the types of appropriate land-uses and economic development for the land encompassed by the Project Area which lies north of 5600 South, between 1900 West and 2000 West. The Plan is envisioned to define the methods and means of development for the Project Area from its current state to a higher and better use. The City has determined that it is in the best interest of its citizens to assist in the development of the Project Area. It is the purpose of this Plan to clearly set forth the aims and objectives of this development, its scope, its mechanism, and its value to the residents of the City and other taxing districts.

The Project is being undertaken as a community reinvestment project area pursuant to certain provisions of Chapters 1 and 5 of the Utah Limited Purpose Local Government Entities - Community Reinvestment Agency Act (the "Act", Utah Code Annotated ("UCA") Title 17C). The requirements of the Act, including notice and hearing obligations, have been scrupulously observed at all times throughout the establishment of the Project Area.

SECTION 2: DEFINITIONS

As used in this plan

- 2.1 "Act" means Title 17C of the Utah Code Annotated ("UCA") 1953, as amended: the Utah Limited Purpose Local Government Entities - Community Reinvestment Agency Act, as amended, or such successor law or act as may from time to time be enacted.
- 2.2 "Agency" means the Redevelopment Agency of Roy City, created and operating pursuant to UCA 17C-1-201.5 and its predecessor or successor statutes, as designated by Roy City to act as a reinvestment agency.
- 2.3 "Agency Board" or "Board" means the governing body of the Redevelopment Agency of Roy City.
- 2.4 "Base Taxable Value" has the same meaning that it bears in the Act (UCA 17C-1-102(9)). "Base Taxable Value" is synonymous with "Base Year Taxable Value", "Base Year Value", and "Base Value".
- 2.5 "Base Tax Amount" means a sum equal to the tax revenue arising from the Project Area during the Base Year, which is calculated as the product of the Base Taxable Value and the certified tax rate in effect during the Base Year.
- 2.6 "Base Year" means the Tax Year during which the Project Area Budget is approved pursuant to UCA 17C-1-102(9)(d).
- 2.7 "Bond" means any bonds, notes, interim certificates, or other obligations issued by an agency.

- 2.8 "City" means Roy City, a political subdivision of the State of Utah.
- 2.9 "County" means Weber County, a political subdivision of the State of Utah.
- 2.10 "Comprehensive General Plan" or "General Plan" means the general plan adopted by the City under the provisions of UCA 10-9a-401
- 2.11 "Community Reinvestment" means development activities within a community, including the encouragement, promotion, or provision of development.
- 2.12 "Community Reinvestment Plan" means a project area plan, as defined by UCA 17C-1-102(50) of the Act, developed by the Agency and adopted by ordinance of the governing body of the City, to guide and control community reinvestment undertakings in a specific project area.
- 2.13 "Governing Body" means (a) in reference to the Redevelopment Agency of Roy City, the Board of the Redevelopment Agency of Roy City, or, (b) if used in reference to Roy City, it means the City Council of Roy City
- 2.14 "Project Area" means the 1900 Southwest Community Reinvestment Project Area, as selected by resolution of the Agency.
- 2.15 "Property Taxes" includes all levies on an ad valorem basis upon land, real property, personal property, or any other property, tangible or intangible.
- 2.16 "Taxing Entities" means the public entities, including the state, any county, and city, any school district, special district, or other public body, which levy property taxes on any parcel or parcels of property located within the Project Area.
- 2.17 "Tax Increment" means that portion of the levied taxes each year in excess of the base tax amount, which excess amount is paid into a special fund of the Agency, pursuant to 17C-1-401 and Part 5 of UCA Chapter 17C, as amended.
- 2.18 "Tax Year" means the 12-month period between sequential tax role equalizations (November 1st through October 31st) of the following year, e.g., the Nov. 1, 2018 - Oct. 31 2019 tax year).

SECTION 3: DESCRIPTION OF COMMUNITY REINVESTMENT PROJECT AREA

The Project Area lies entirely within the boundaries of the City and is located on the east side of the City, between 5600 South, 1900 West, and 2000 West. This area in particular receives significant vehicle traffic on a daily basis which creates both opportunity and increased service demand. The property encompasses approximately 15 acres of land.

- As delineated in the office of the Weber County Recorder, the Project Area encompasses all of the parcels detailed in Appendix A: Property Description

- A map and legal description of the Project Area are attached hereto in APPENDIX B.

SECTION 4: PROJECT AREA CHARACTERISTICS AND HOW THEY WILL BE AFFECTED BY COMMUNITY REINVESTMENT

LAND USES IN THE PROJECT AREA

The Project Area currently consists primarily of commercial land. The Project Area is designated for Commercial land use. This Plan is consistent with the General Plan of the City and promotes economic activity by virtue of the land uses contemplated.

Any zoning change, amendment or conditional use permit necessary to the successful development contemplated by this Plan shall be undertaken in accordance with the requirements of the revised Ordinances of Roy City, and all other applicable laws including all goals and objectives in the City's General Plan.

LAYOUT OF PRINCIPAL STREETS IN THE PROJECT AREA

The layout of principle streets within the Project Area are outlined in APPENDIX B - MAP, AND LEGAL DESCRIPTION.

POPULATION IN THE PROJECT AREA

The Project area was laid out in order to create the least amount of disruption to existing residential structures. Currently there are four residential structures within the Project Area.

BUILDING INTENSITIES IN THE PROJECT AREA

Any new development within the Project Area will be required to meet all current or amended zoning requirements and design or development standards. It is anticipated that the redevelopment of the Project Area will result in additional buildings and increased density within the Project Area.

SECTION 5: STANDARDS THAT WILL GUIDE COMMUNITY REINVESTMENT

DEVELOPMENT OBJECTIVES

The Agency and City desire to maintain a high-quality development as a commercial focal point to the City. The Agency and City want to guide development in order to ensure development standards blend harmoniously with the character of the City.

DESIGN OBJECTIVES

Development within the Project Area will be held to the highest quality design and construction standards, subject to (1) appropriate elements of the City's General Plan; (2) the planning and zoning ordinances of the City; (3) other applicable building codes and ordinances of the City; (4) and Agency review to ensure consistency with this Plan.

All development will be accompanied by site plans, development data, and other appropriate material clearly describing the development, including land coverage, setbacks, heights, off-street parking to be provided, and any other data determined to be necessary or requested by the City or the Agency.

All development shall provide an attractive environment, blend harmoniously with the adjoining areas, and provide for the optimum amount of open space and well-landscaped area in relation to the new buildings. In addition, it shall maintain maximum availability of off-street parking, and comply with the provisions of this Plan.

APPROVALS

The Agency may have the right to approve the design and construction documents of any development within the Project Area to ensure that any development within the Project Area is consistent with this Project Area Plan.

SECTION 6: HOW THE PURPOSES OF THE STATE LAW WOULD BE ATTAINED BY COMMUNITY REINVESTMENT

It is the intent of the Agency, with possible assistance from the City and in participation with potential developers and property owners, to accomplish this Project Area Plan, which will include development contemplated in this Project Area Plan. This will include the construction of public infrastructure, and the appropriate use of incentives permitted under the Act, to maximize this development as beneficial to the citizens of the City and the surrounding communities. This will strengthen the community's tax base through the provision of necessary goods and services demanded within the community and in furtherance of the objectives set forth in this Plan.

SECTION 7: HOW THE PROJECT AREA PLAN IS CONSISTENT WITH THE COMMUNITY'S GENERAL PLAN

This Plan and the development contemplated thereby shall conform to the City's General Plan and land use regulations.

SECTION 8: DESCRIPTION OF THE SPECIFIC PROJECTS THAT ARE THE OBJECT OF THE PROPOSED COMMUNITY REINVESTMENT

The primary objective of the Project Area is to encourage redevelopment of this key City commercial district. The objectives of the Agency include pursuing development of vacant and underutilized parcels of property within the Project Area, which will result in an economic increase to the Agency and City. It is currently anticipated that the development may include a hotel and other mixed-use residential and commercial development.

SECTION 9:WAYS IN WHICH PRIVATE DEVELOPERS WILL BE SELECTED TO UNDERTAKE THE COMMUNITY REINVESTMENT

The City and Agency will select or approve such development as solicited or presented to the Agency and City that meets the development objectives set forth in this plan. The City and Agency retain the right to approve or reject any such development plan(s) that in their judgment do not meet the development intent for the Project Area. The City and Agency may choose to solicit development through an RFP or RFQ process, through targeted solicitation to specific industries, from inquiries to the City, EDCUtah, and/or from other such references.

The City and Agency will ensure that all development conforms to this plan and is approved by the City. All potential developers will need to provide a thorough development plan including sufficient financial information to provide the City and Agency with confidence in the sustainability of the development and the developer. Such a review may include a series of studies and reviews including reviews of the Developers financial statements, third-party verification of benefit of the development to the City, appraisal reports, etc.

Any participation between the Agency and developers and property owners shall be by an approved agreement.

SECTION 10: REASONS FOR THE SELECTION OF THE PROJECT AREA

The Project Area was selected by the Agency as an area within the City that presents an opportunity to strengthen the economic base of the City and fulfill a public need through the investment of private capital. This area has lacked reinvestment over the last few decades. Boundaries of the Project Area were determined by the Agency after a review of a study area by members if the City's economic development committee, staff, and consultant.

SECTION 11: DESCRIPTIONS OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS EXISTING IN THE PROJECT AREA

There are four residential units located within the Project Area. The City's average household size is 3.1 persons. Therefore, the Agency has assumed 12.4 residents live within the Project Area. The Project Area consists of approximately 15 acres of property. The Agency wants to encourage upgrades and improvements as applicable to the existing economic base of the City.

SECTION 12: DESCRIPTION OF ANY FINANCIAL ASSISTANCE THAT THE AGENCY ANTICIPATES OFFERING A PARTICIPANT

The following generally describes incentives which the Agency intends to offer within the Project Area to developers, participants, or property owners as incentives to improve and develop property within the Project Area:

1. The Agency intends to use the tax increment approved by agreement with the taxing entities for public infrastructure improvements, land purchase, building renovation or upgrades, certain offsite improvements, and other improvements as approved by the Agency.
2. Payments made to a developer/participant pursuant to agreements between the developer/participant and the Agency.
3. Expenditures approved and outlined in the adopted Project Area Budget.

Except where the Agency issues Bonds or otherwise borrows or receives funds, the Agency expects to pay the City, developers, or participants for the agreed amounts, in the agreed upon time frame to the extent the tax increment funds are received and available.

SECTION 13: PLAN RESTRICTIONS

13.1 Eminent Domain

This Community Reinvestment Project Area Plan does not allow the Agency to acquire real property through the use of eminent domain.

13.2 Tax Increment

Use of tax increment is subject to approval of the Agency's Project Area Budget through an interlocal agreement with any taxing entity that levies a certified tax rate within the Project Area. The use of tax increment is essential in meeting the objectives of this Plan.

SECTION 14: ANTICIPATED PUBLIC BENEFIT TO BE DERIVED FROM THE COMMUNITY REINVESTMENT

The Beneficial Influences upon the Tax Base and Economic Activity of the Community

The beneficial influences upon the tax base of the City and the other taxing entities will include increased property tax revenues, job growth, and affordable housing opportunities in the community. The increased revenues will come from the property values associated with new construction in the area.

Job growth in the Project Area will result in increased wages, increasing local purchases and benefiting existing businesses in the area. Job growth will also result in increased income taxes paid. Additionally, business growth will generate corporate income taxes.

There will also be a beneficial impact on the community through increased construction activity within the Project Area. Positive impacts will be felt through construction wages paid, as well as construction supplies purchased locally.

SECTION 15: PROVISIONS FOR AMENDING THE PROJECT AREA PLAN

This Plan may be amended or modified any time by the Agency by means of the procedures established in the act, its successor statutes, or any other procedure established by law.

SECTION 16: NECESSARY AND APPROPRIATE ANALYSIS

Authority to take action or enter into agreements under this Plan shall be vested exclusively in the Agency's Governing Board. The Agency's Governing Board shall be authorized to delegate this authority pursuant to resolutions approved by the Board. The administration and enforcement of this Plan and any documents implementing this Plan shall be performed by the Agency and/or City.

The provisions of this Plan or other documents entered into pursuant to this Plan may also be enforced by litigation by either the Agency or the City. Such remedies may include, but are not limited to, specific performance, damages, re-entry, injunctions, or any other remedies appropriate to the purposes of this Plan. In addition, agreements or any recorded provisions which are expressly for the benefit of owners of property in the project Area may be enforced by such owners.

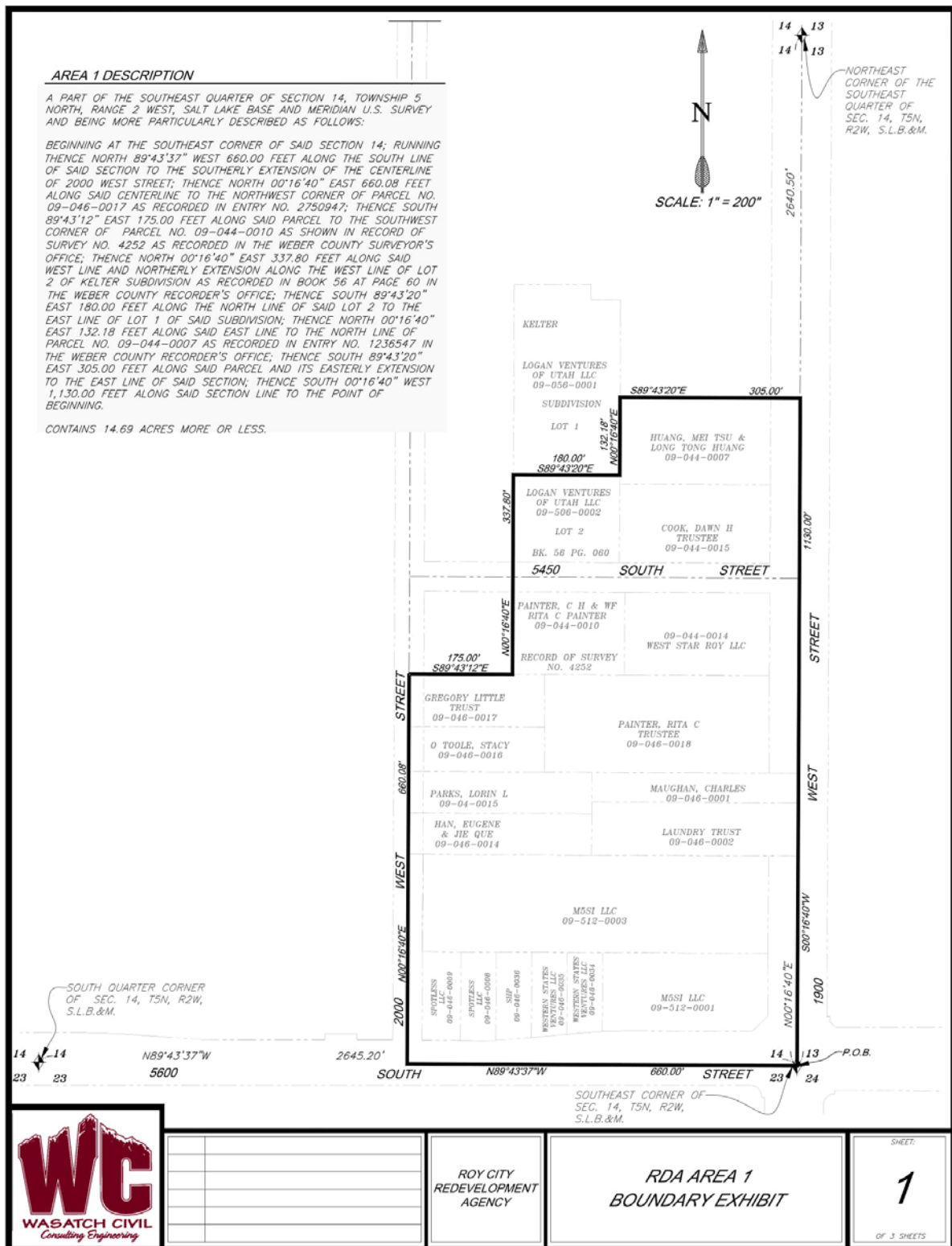
The particulars of any contemplated development will be set out in a participation agreement between the Agency and the participant requesting assistance.

Before any future development agreement or participation agreement under the Plan may be entered into and/or executed by the Agency, the Agency may hold a public hearing on the proposed agreement. The Agency may prepare or require the developer/participant to prepare a feasibility analysis and a necessary and appropriate analysis with respect to all new projects being proposed and with respect to the ongoing feasibility of the overall Project being implemented pursuant to this Plan. The purpose of this provision is to assure that the feasibility, necessity, appropriateness, the nature, extent of, and need for any public subsidy or other assistance, and the likely public benefit of new projects is reviewed on their own merits and in the context of implementing this Plan as a whole before any particular projects are approved, thereby assuring that substantial and effective measures are being taken, or have been taken, that are reasonably designed to mitigate any harm, damage, or disadvantage as may be suffered as a result of development within the Project Area by owners of property, or tenants within the Project Area.

APPENDIX A: PROPERTY OWNERS

Taxable Property Schedule (2018)		
Parcel_ID	Owner	Acres
09-044-0007	Huang, Mei Tsu & Long Tong Huang	0.86
09-044-0015	Cook, Dawn H. - Trustee	0.78
09-506-0002	Logan Ventures of Utah LLC	0.61
09-044-0010	Painter, CH & WF Rita C. Painter	0.59
09-044-0014	West Star Roy LLC	0.79
09-046-0017	Gregory Little Trust	0.47
09-046-0016	O'Toole, Stacy	0.40
09-046-0018	Painter, Rita C. Trustee	1.44
09-046-0015	Parks, Lorin L.	0.49
09-046-0014	Han, Eugene & Jie Que	0.50
09-046-0001	Maughan, Charles	0.34
09-046-0002	Laundry Trust	0.72
09-512-0003	M5SI LLC	1.42
09-512-0001	M5SI LLC	0.63
09-512-0002	M5SI LLC	0.21
09-046-0034	Western States Ventures LLC	0.19
09-046-0035	Western States Ventures LLC	0.19
09-046-0036	SHP	0.20
09-046-0008	Spotless LLC	0.21
09-046-0009	Spotless LLC	0.22
09-512-0004	M5SI LLC	0.79
Roads, Right-of-Ways, etc.		2.64
Total		14.69

APPENDIX B: MAP AND LEGAL DESCRIPTION



1900 Southwest CRA Legal Description

ROY CITY REDEVELOPMENT AGENCY AREA 1 BOUNDARY DESCRIPTION

A PART OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN U.S. SURVEY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 14; RUNNING THENCE NORTH 89°43'37" WEST 660.00 FEET ALONG THE SOUTH LINE OF SAID SECTION TO THE SOUTHERLY EXTENSION OF THE CENTERLINE OF 2000 WEST STREET; THENCE NORTH 00°16'40" EAST 660.08 FEET ALONG SAID CENTERLINE TO THE NORTHWEST CORNER OF PARCEL NO. 09-046-0017 AS RECORDED IN ENTRY NO. 2750947; THENCE SOUTH 89°43'12" EAST 175.00 FEET ALONG SAID PARCEL TO THE SOUTHWEST CORNER OF PARCEL NO. 09-044-0010 AS SHOWN IN RECORD OF SURVEY NO. 4252 AS RECORDED IN THE WEBER COUNTY SURVEYOR'S OFFICE; THENCE NORTH 00°16'40" EAST 337.80 FEET ALONG SAID WEST LINE AND NORTHERLY EXTENSION ALONG THE WEST LINE OF LOT 2 OF KELTER SUBDIVISION AS RECORDED IN BOOK 56 AT PAGE 60 IN THE WEBER COUNTY RECORDER'S OFFICE; THENCE SOUTH 89°43'20" EAST 180.00 FEET ALONG THE NORTH LINE OF SAID LOT 2 TO THE EAST LINE OF LOT 1 OF SAID SUBDIVISION; THENCE NORTH 00°16'40" EAST 132.18 FEET ALONG SAID EAST LINE TO THE NORTH LINE OF PARCEL NO. 09-044-0007 AS RECORDED IN ENTRY NO. 1236547 IN THE WEBER COUNTY RECORDER'S OFFICE; THENCE SOUTH 89°43'20" EAST 305.00 FEET ALONG SAID PARCEL AND ITS EASTERLY EXTENSION TO THE EAST LINE OF SAID SECTION; THENCE SOUTH 00°16'40" WEST 1,130.00 FEET ALONG SAID SECTION LINE TO THE POINT OF BEGINNING.

CONTAINS 14.69 ACRES MORE OR LESS

DRAFT PROJECT AREA BUDGET

1900 SOUTHWEST

COMMUNITY REINVESTMENT AREA (CRA)

REDEVELOPMENT AGENCY OF ROY, UTAH

OCTOBER 2019

PREPARED BY:
RS CONTRACT
MANAGEMENT



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SECTION 1: INTRODUCTION

The Redevelopment Agency of Roy (the “Agency”), following thorough consideration of the needs and desires of Roy City (the “City”) and its residents, as well as understanding the City’s capacity for new development, has carefully crafted the Project Area Plan (the “Plan”) for the 1900 Southwest Community Reinvestment Project Area (the “Project Area” or “CRA”). The Plan is the result of a comprehensive evaluation of the types of appropriate land-uses and economic development opportunities for the land encompassed by the Project Area which lies north of 5600 South, between 1900 West and 2000 West.

The Plan is envisioned to define the method and means of development for the Project Area from its current state to a higher and better use. The City has determined that it is in the best interest of its citizens to assist in the development of the Project Area. This Project Area Budget document (the “Budget”) is predicated upon certain elements, objectives and conditions outlined in the Plan and intended to be used as a financing tool to assist the Agency in meeting Plan objectives discussed herein and more specifically referenced and identified in the Plan.

The Project is being undertaken as a community reinvestment project pursuant to certain provisions of Chapters 1 and 5 of the Utah Community Reinvestment Agencies Act (the “Act”, Utah Code Annotated (“UCA”) Title 17C). The requirements of the Act, including notice and hearing obligations, have always been observed throughout the establishment of the Project Area.

SECTION 2: DESCRIPTION OF COMMUNITY DEVELOPMENT PROJECT AREA

The Project Area is entirely within the boundaries of the City. It lies north of 5600 South, between 1900 West and 2000 West. The property encompasses approximately 42 acres of land.

A map and legal description of the Project Area are attached hereto in APPENDIX A.

SECTION 3: GENERAL OVERVIEW OF PROJECT AREA BUDGET

The purpose of the Project Area Budget is to provide the financial framework necessary to implement the Project Area Plan. The following information will detail the sources and uses of tax increment and other necessary details needed for public officials, interested parties, and the public in general to understand the mechanics of the Project Area Budget.

BASE YEAR VALUE

The Agency has determined that the base year property tax value for the Project Area Budget will be the total taxable value for the 2018 tax year which is estimated to be \$9,462,466. Using the 2018 tax rates established within the Project Area the property tax levied equate to \$124,583 annually.

PAYMENT TRIGGER

This Budget will have a twenty-year (20) duration from the date of the first tax increment receipt. The collection of tax increment will be triggered at the discretion of the Agency prior to March 1 of the tax year in which they intend to begin the collection of increment. The following year in which this increment will be remitted to the Agency will be Year 1. In no case will the Agency trigger increment collection after March 1, 2023.

PROJECTED TAX INCREMENT REVENUE – TOTAL GENERATION

Development within the Project Area is anticipated to commence upon favorable market conditions in 2020 and included both horizontal and vertical infrastructure and development. The contemplated development will generate significant additional property taxes above what is currently generated within the Project Area.

Property Tax Increment will begin to be generated in the tax year (ending Dec 1st) following construction completion and Tax Increment will be paid to the Agency in March or April after collection. It is projected that property Tax Increment generation within the Project Area could begin as early as 2022. It is currently estimated that during the 20-year life of the Budget, property Tax Increment could be generated within the Project Area in the approximate amount of \$5.06 million or \$3.28 million in terms of net present value (NPV).¹ This amount is over and above the \$2.49 of base taxes that the property would generate over 20 years.

¹ Net Present Value of future cash flows assumes a 4% discount rate. The same 4% discount rate is used in all remaining NPV calculations. This total is prior to accounting for the flow-through of tax increment to the respective taxing entities.

SECTION 4: PROPERTY TAX INCREMENT

PROPERTY TAX INCREMENT SHARED FOR BUDGET

While property tax increment generated within the CRA is expected to be approximately \$5.06 million over 20 years, only a portion of this increment will be shared with the Agency. It is anticipated that all taxing entities that receive property tax generated within the CRA will share at least a portion of that increment generation with the Agency. It is anticipated that all taxing entities will contribute 70% of their respective tax increment during the project life. Table 4.1 shows the projected amount of tax increment to be shared with the Agency. A multi-year projection of tax increment is included in APPENDIX B.

TABLE 4.1: SOURCES OF TAX INCREMENT FUNDS

Entity	Percentage	Length	Total	NPV at 4%
Weber County	70%	20 Years	\$821,356	\$532,030
Weber School District	70%	20 Years	\$1,697,900	\$1,099,807
Roy City	70%	20 Years	\$634,794	\$411,185
Weber Basin Water Conservancy District	70%	20 Years	\$44,150	\$28,598
North Davis Sewer District	70%	20 Years	\$233,942	\$151,535
Weber County Mosquito Abatement District	70%	20 Years	\$29,075	\$18,833
Roy Water Conservancy District	70%	20 Years	\$20,191	\$13,078
Weber Area Dispatch 911 and Emergency Services District	70%	20 Years	\$62,995	\$40,805
Total Sources of Tax Increment Funds			\$3,544,403	\$2,295,870

USES OF TAX INCREMENT

Most of the tax increment collected by the Agency will be used to facilitate the costs of development within the CRA. 10% will go towards the CRA affordable housing requirement. Approximately 3% will be used to administer the CRA.

TABLE 4.2: USES OF TAX INCREMENT

Uses	Total	NPV at 4%
Redevelopment Activities (87%)	\$3,083,631	\$1,997,407
CRA Housing Requirement (10%)	\$354,440	\$229,587
Project Area Administration (3%)	\$106,332	\$68,876
Total Uses of Tax Increment Funds	\$3,544,403	\$2,295,870

PROJECTED TAX INCREMENT REMAINING WITH TAXING ENTITIES

It is anticipated that all taxing entities will receive 30% of their respective property tax increment generated within the Project Area during the duration of the Budget and all tax increment thereafter. The table below describes the forecasted property tax benefit that each taxing entity will retain during the duration of the Project Area Budget.

TABLE 4.3: TAX INCREMENT REMAINING FOR TAXING ENTITIES

Entity	Total	NPV at 4%
Weber County	352,010	228,013
Weber School District	727,671	471,346
Roy City	272,055	176,222
Weber Basin Water Conservancy District	18,922	12,256
North Davis Sewer District	100,261	64,944
Weber County Mosquito Abatement District	12,461	8,071
Roy Water Conservancy District	8,653	5,605
Weber Area Dispatch 911 and Emergency Services District	26,998	17,488
Total Tax Increment to Taxing Entities	1,519,030	983,944

SECTION 5: COST/BENEFIT ANALYSIS

ADDITIONAL REVENUES

OTHER TAX REVENUES

The development within the Project Area will also generate sales taxes and energy sales and use taxes.

Table 5.1 shows the total revenues generated by the project. This total includes the anticipated property tax increment, sales tax and energy sales and use tax.

TABLE 5.1: TOTAL REVENUES

Entity	Property Tax	Sales Tax ²	Franchise Taxes	Total Incremental Revenues
Weber County	\$1,173,366	\$2,040,180	-	\$3,213,546
Weber School District	\$2,425,571	-	-	\$2,425,571
Roy City	\$906,849	\$997,801	\$375,692	\$2,280,342
Weber Basin Water Conservancy District	\$63,072	-	-	\$63,072
North Davis Sewer District	\$334,203	-	-	\$334,203
Weber County Mosquito Abatement District	\$41,535	-	-	\$41,535
Roy Water Conservancy District	\$28,844	-	-	\$28,844
Weber Area Dispatch 911 and Emergency Services District	\$89,993	-	-	\$89,993
Totals:	\$5,063,433	\$3,037,981	\$375,692	\$8,477,106

ADDITIONAL COSTS

The development anticipated within the Project Area will also likely result in additional general government, public works, and public safety costs. These costs, along with the estimated budget to implement the Project Area Plan are identified below.

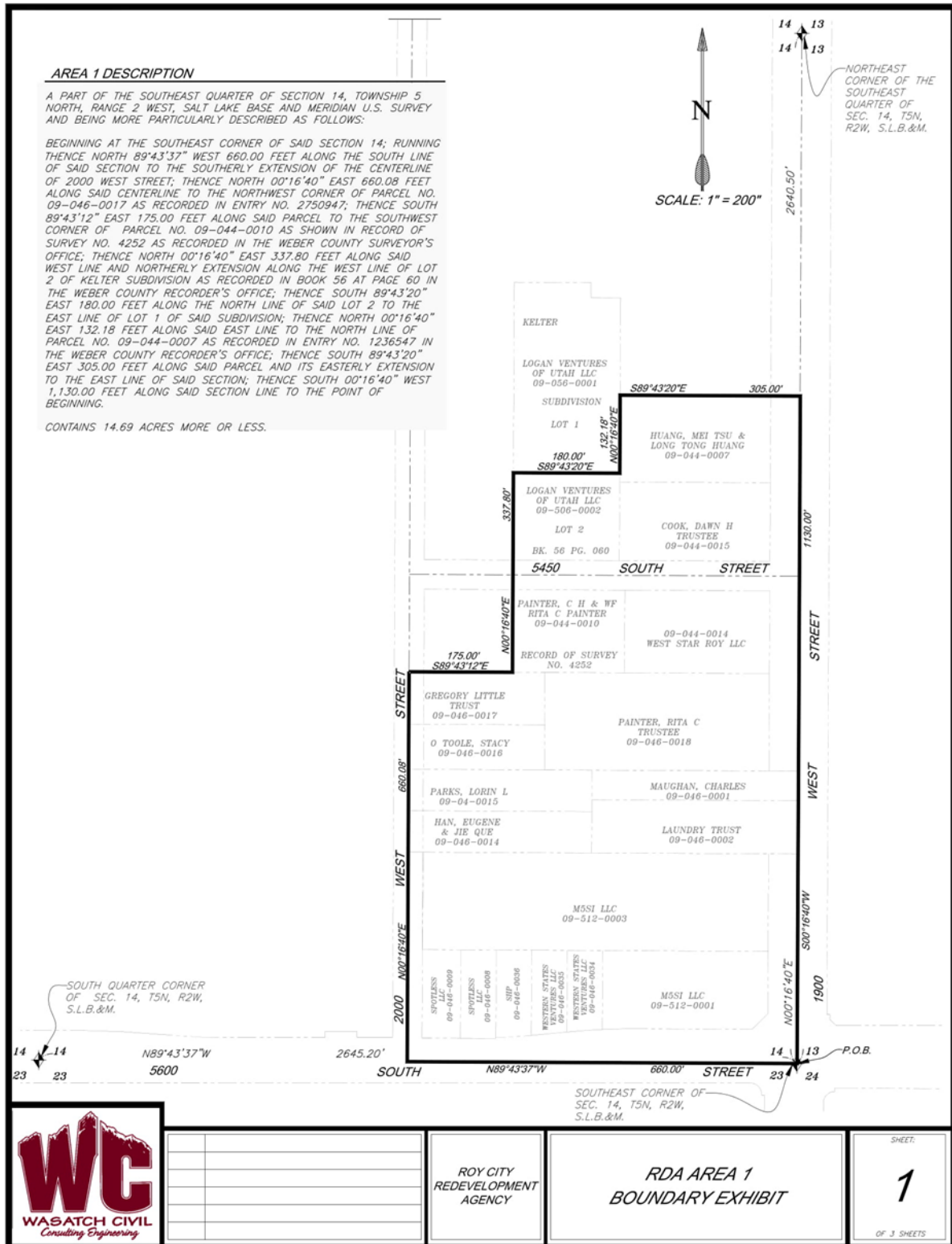
TABLE 5.2: TOTAL EXPENDITURES

Entity	CRA Budget	General Government	Public Works	Public Safety	Total Incremental Expenditures
Weber County	\$821,356	\$140,676	-	-	\$962,032
Weber School District	\$1,697,900	\$17,359	-	-	\$1,715,259
Roy City	\$634,794	\$245,603	\$318,850	103,140	\$1,302,388
Weber Basin Water Conservancy District	\$44,150	\$8,226	-	-	\$52,377
North Davis Sewer District	\$233,942	\$9,509	-	-	\$243,452
Weber County Mosquito Abatement District	\$29,075	\$841	-	-	\$29,916
Roy Water Conservancy District	\$20,191	\$5,678	-	-	\$25,869
Weber Area Dispatch 911 and Emergency Services District	\$62,995	\$2,800	-	-	\$65,795
Totals:	\$3,544,403	\$430,693	\$318,850	\$103,140	\$4,397,086

The total net benefit of implementing the project area is approximately \$4.08 million, with a \$977,954 net benefit to the City.

² Includes transient room taxes

APPENDIX A: MAP & LEGAL DESCRIPTION



1900 Southwest CRA Legal Description

ROY CITY REDEVELOPMENT AGENCY AREA 1 BOUNDARY DESCRIPTION

A PART OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN U.S. SURVEY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 14; RUNNING THENCE NORTH 89°43'37" WEST 660.00 FEET ALONG THE SOUTH LINE OF SAID SECTION TO THE SOUTHERLY EXTENSION OF THE CENTERLINE OF 2000 WEST STREET; THENCE NORTH 00°16'40" EAST 660.08 FEET ALONG SAID CENTERLINE TO THE NORTHWEST CORNER OF PARCEL NO. 09-046-0017 AS RECORDED IN ENTRY NO. 2750947; THENCE SOUTH 89°43'12" EAST 175.00 FEET ALONG SAID PARCEL TO THE SOUTHWEST CORNER OF PARCEL NO. 09-044-0010 AS SHOWN IN RECORD OF SURVEY NO. 4252 AS RECORDED IN THE WEBER COUNTY SURVEYOR'S OFFICE; THENCE NORTH 00°16'40" EAST 337.80 FEET ALONG SAID WEST LINE AND NORTHERLY EXTENSION ALONG THE WEST LINE OF LOT 2 OF KELTER SUBDIVISION AS RECORDED IN BOOK 56 AT PAGE 60 IN THE WEBER COUNTY RECORDER'S OFFICE; THENCE SOUTH 89°43'20" EAST 180.00 FEET ALONG THE NORTH LINE OF SAID LOT 2 TO THE EAST LINE OF LOT 1 OF SAID SUBDIVISION; THENCE NORTH 00°16'40" EAST 132.18 FEET ALONG SAID EAST LINE TO THE NORTH LINE OF PARCEL NO. 09-044-0007 AS RECORDED IN ENTRY NO. 1236547 IN THE WEBER COUNTY RECORDER'S OFFICE; THENCE SOUTH 89°43'20" EAST 305.00 FEET ALONG SAID PARCEL AND ITS EASTERLY EXTENSION TO THE EAST LINE OF SAID SECTION; THENCE SOUTH 00°16'40" WEST 1,130.00 FEET ALONG SAID SECTION LINE TO THE POINT OF BEGINNING.

CONTAINS 14.69 ACRES MORE OR LESS

RESOLUTION NO. _____

RESOLUTION OF THE REDEVELOPMENT AGENCY OF ROY ADOPTING AN OFFICIAL PLAN FOR THE 1900 SOUTHWEST COMMUNITY REINVESTMENT PROJECT AREA.

WHEREAS, the Redevelopment Agency of Roy (the "Agency") was created to transact the business and exercise the powers provided for in the current Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the Utah Code Ann. 1953, as amended (the "Act"); and

WHEREAS, Roy City (the "City") has a planning commission and has adopted a general plan pursuant to applicable law; and

WHEREAS, the Agency, by Resolution, has authorized the preparation of a draft project area plan as provided in Section 17C-5-103 of the Act; and

WHEREAS, pursuant to Section 17C-5-104 of the Act, the Agency has (a) prepared a draft 1900 Southwest Community Reinvestment Project Area Plan (the "Project Area Plan" or "Plan") and (b) made the draft Project Area Plan available to the public at the Agency's offices during normal business hours; and

WHEREAS, the Agency provided notice of the public hearing in compliance with Sections 17C-1-805, 806, and 808; and

WHEREAS, the Agency has held a public hearing on the draft Project Area Plan and at that Plan hearing (a) allowed public comment on the draft Project Area Plan and whether the draft Project Area Plan should be revised, approved or rejected, and (b) received all written and heard all oral objections to the draft Project Area Plan; and

WHEREAS, after holding the public hearing, and at the same meeting, the Agency considered the oral and written objections to the draft Project Area Plan, and whether to revise, approve or reject the draft Project Area Plan;

WHEREAS, less than one year has passed since the date of the public hearing.

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE REDEVELOPMENT AGENCY OF ROY:

Section 1. Adoption of Project Area Plan. All comments and objections to the draft Project Area Plan (if any) have been considered and are, unless otherwise provided in the minutes of this meeting (if at all), passed upon. It has become necessary and desirable to adopt the draft Project Area Plan as the official Project Area Plan for the Project Area. The draft Project Area Plan, in the form attached hereto as **Exhibit C**, and together with any changes to the draft Project Area Plan as may be indicated in the minutes of this meeting (if any), is hereby designated and adopted as the official plan

for the Project Area. The Agency shall submit the Project Area Plan, together with a copy of this Resolution, to the City Council requesting that the Project Area Plan be adopted by ordinance of the legislative body of the City in accordance with the provisions of the Act.

Section 2. Legal Description of the Project Area Boundaries. The legal description of the boundaries of the Project Area covered by the Project Area Plan is attached hereto and incorporated herein as **Exhibit A**. A map of the Project Area is attached and incorporated herein as **Exhibit B**.

Section 3. Agency's Purposes and Intent. The Agency's purposes and intent with respect to the Project Area are set forth in the Project Area Plan, and include the following:

- A. Encourage and accomplish appropriate private development and community reinvestment activities within the Project Area.
- B. Provide for redevelopment infrastructure improvements within or to serve the Project Area.
- C. Provide for the strengthening of the tax base and economic health of the community.

Section 4. Project Area Plan Incorporated by Reference. The Project Area Plan, together with supporting documents, in the form attached as **Exhibit C**, and together with any changes to the draft Project Area Plan as may be indicated in the minutes of this meeting (if any), is hereby incorporated herein by reference, and made a part of this Resolution. Copies of the Project Area Plan shall be filed and maintained in the office of the Agency and the City Recorder for public inspection.

Section 5. Agency Board Findings. The Agency Board hereby determines and finds that the Project Area Plan:

- A. Serves a public purpose by, among other things, encouraging and accomplishing appropriate community reinvestment activities within the Project Area;
- B. Produces a public benefit in the form of, among other things, increased development activity within the boundaries of the Agency, including in particular within the Project Area, that is desirable and will enhance the tax base of all taxing entities within the Project Area, as demonstrated by the analysis provided in the Project Area Plan;
- C. Is economically sound and feasible; in that the revenue needed for the implementation of the Project Area Plan will come from incremental property taxes generated by new private development within the Project Area, all as further shown and supported by the analysis contained in the Project Area Plan;
- D. Conforms to the City's general plan in that, among other things, the Project Area Plan provides that all development in the Project Area is to be in accordance with the City's zoning ordinances and requirements, and the development activities contemplated by the Project Area Plan are in harmony with the City's general plan; and

E. Promotes the public peace, health, safety and welfare of the City.

Section 6. Effective Date. This Resolution takes effect immediately upon adoption, and pursuant to the provisions of the Act, the Project Area Plan shall become effective upon adoption by Ordinance of the legislative body of the City.

IN WITNESS WHEREOF, the Governing Board of the Redevelopment Agency of Roy has approved, passed and adopted this Resolution this November 19, 2019.

Agency Chair

Attest:

Secretary

EXHIBIT A – LEGAL DESCRIPTION OF THE PROJECT AREA

ROY CITY REDEVELOPMENT AGENCY AREA 1 BOUNDARY DESCRIPTION

A PART OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN U.S. SURVEY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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CONTAINS 14.69 ACRES MORE OR LESS

EXHIBIT B – MAP OF THE PROJECT AREA

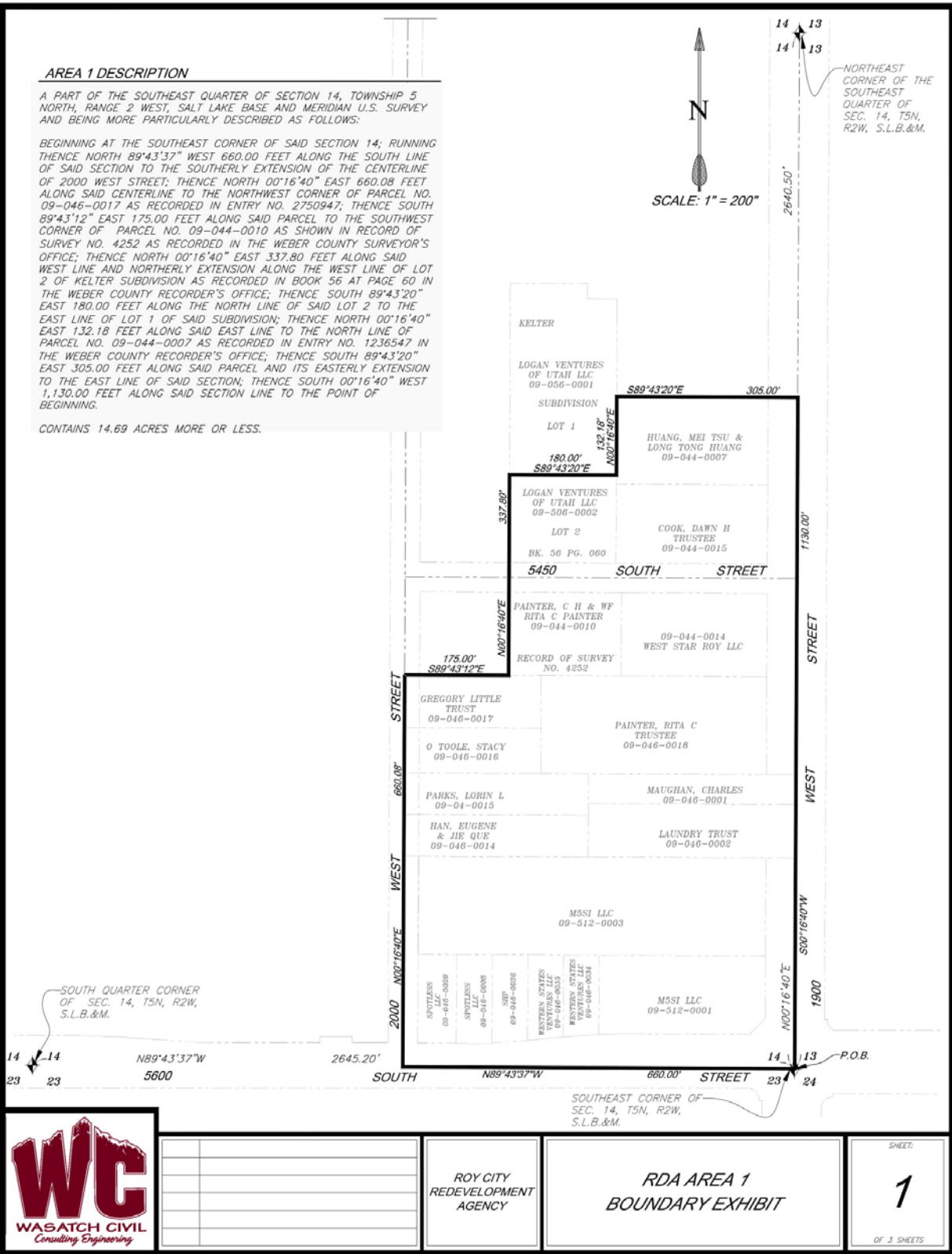


EXHIBIT C: PROJECT AREA PLAN

RESOLUTION NO.

RESOLUTION OF THE REDEVELOPMENT AGENCY OF ROY ADOPTING THE PROJECT AREA BUDGET FOR THE 1900 SOUTHEAST COMMUNITY REINVESTMENT PROJECT AREA.

WHEREAS, the Redevelopment Agency of Roy (the "Agency") was created to transact the business and exercise the powers provided for in the current Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the Utah Code Ann. 1953, as amended (the "Act"); and

WHEREAS, the Agency has adopted by Resolution the 1900 Southeast Community Reinvestment Project Area Plan (the "Plan") for the 1900 Southeast Community Reinvestment Project Area (the "Project Area"); and

WHEREAS, the Plan allows for the Agency to collect tax increment created within the Project Area to assist in project area development, community reinvestment, and other goals and objectives as outlined in the Plan, which will provide a public benefit within Roy City (the "City"); and

WHEREAS, the Agency has prepared a Project Area Budget in accordance with section 17C-5-303 of the Act.

WHEREAS, the Agency has held a public hearing on the draft Project Area Budget and at that hearing allowed public comment on the draft Project Area Budget and whether the draft Project Area Plan should be revised, approved or rejected; and

WHEREAS, after holding the public hearing, and at the same meeting, the Agency considered the oral and written objections to the draft Project Area Budget, and whether to revise, approve or reject the draft Project Area Budget;

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE REDEVELOPMENT AGENCY OF ROY:

1. All comments and objections to the draft Project Area Budget (if any) have been considered and are, unless otherwise provided in the minutes of this meeting (if at all), passed upon.

2. The draft Project Area Budget attached hereto as **Exhibit A** and incorporated herein, together with any changes to the draft Project Area Budget as may be indicated in the minutes of this meeting (if any), is hereby approved and adopted effective immediately.

3. The Agency staff is authorized to finalize negotiations with the taxing entities that levy a certified rate in the Project Area, to participate with the Agency in the implementation and funding of the Project Area Budget in accordance with the Act.

4. This Resolution takes effect immediately.

IN WITNESS WHEREOF, the Governing Board of the Redevelopment Agency of Roy has approved, passed and adopted this Resolution this November 19, 2019.

Agency Chair

ATTEST:

Secretary

EXHIBIT A: PROJECT AREA BUDGET

1900 SOUTHEAST COMMUNITY REINVESTMENT DRAFT PROJECT AREA PLAN

The Redevelopment Agency of Roy, Utah



October 2019

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SECTION 1: INTRODUCTION

The Redevelopment Agency of Roy, Utah (the "Agency"), following thorough consideration of the needs and desires of Roy City (the "City") and its residents, as well as the City's capacity for new development, has carefully crafted this Project Area Plan (the "Plan") for the 1900 Southeast Community Reinvestment Project Area (the "Project Area"). This Plan is the result of a comprehensive evaluation of the types of appropriate land-uses and economic development for the land encompassed by the Project Area which lies south of Riverdale Road, between 1900 West and Interstate 15. The Plan is envisioned to define the methods and means of development for the Project Area from its current state to a higher and better use. The City has determined that it is in the best interest of its citizens to assist in the development of the Project Area. It is the purpose of this Plan to clearly set forth the aims and objectives of this development, its scope, its mechanism, and its value to the residents of the City and other taxing districts.

The Project is being undertaken as a community reinvestment project area pursuant to certain provisions of Chapters 1 and 5 of the Utah Limited Purpose Local Government Entities - Community Reinvestment Agency Act (the "Act", Utah Code Annotated ("UCA") Title 17C). The requirements of the Act, including notice and hearing obligations, have been scrupulously observed at all times throughout the establishment of the Project Area.

SECTION 2: DEFINITIONS

As used in this plan

- 2.1 "Act" means Title 17C of the Utah Code Annotated ("UCA") 1953, as amended: the Utah Limited Purpose Local Government Entities - Community Reinvestment Agency Act, as amended, or such successor law or act as may from time to time be enacted.
- 2.2 "Agency" means the Redevelopment Agency of Roy City, created and operating pursuant to UCA 17C-1-201.5 and its predecessor or successor statutes, as designated by Roy City to act as a reinvestment agency.
- 2.3 "Agency Board" or "Board" means the governing body of the Redevelopment Agency of Roy City.
- 2.4 "Base Taxable Value" has the same meaning that it bears in the Act (UCA 17C-1-102(9)). "Base Taxable Value" is synonymous with "Base Year Taxable Value", "Base Year Value", and "Base Value".
- 2.5 "Base Tax Amount" means a sum equal to the tax revenue arising from the Project Area during the Base Year, which is calculated as the product of the Base Taxable Value and the certified tax rate in effect during the Base Year.
- 2.6 "Base Year" means the Tax Year during which the Project Area Budget is approved pursuant to UCA 17C-1-102(9)(d).
- 2.7 "Bond" means any bonds, notes, interim certificates, or other obligations issued by an agency.

- 2.8 "City" means Roy City, a political subdivision of the State of Utah.
- 2.9 "County" means Weber County, a political subdivision of the State of Utah.
- 2.10 "Comprehensive General Plan" or "General Plan" means the general plan adopted by the City under the provisions of UCA 10-9a-401
- 2.11 "Community Reinvestment" means development activities within a community, including the encouragement, promotion, or provision of development.
- 2.12 "Community Reinvestment Plan" means a project area plan, as defined by UCA 17C-1-102(50) of the Act, developed by the Agency and adopted by ordinance of the governing body of the City, to guide and control community reinvestment undertakings in a specific project area.
- 2.13 "Governing Body" means (a) in reference to the Redevelopment Agency of Roy City, the Board of the Redevelopment Agency of Roy City, or, (b) if used in reference to Roy City, it means the City Council of Roy City
- 2.14 "Project Area" means the 1900 Southeast Community Reinvestment Project Area, as selected by resolution of the Agency.
- 2.15 "Property Taxes" includes all levies on an ad valorem basis upon land, real property, personal property, or any other property, tangible or intangible.
- 2.16 "Taxing Entities" means the public entities, including the state, any county, and city, any school district, special district, or other public body, which levy property taxes on any parcel or parcels of property located within the Project Area.
- 2.17 "Tax Increment" means that portion of the levied taxes each year in excess of the base tax amount, which excess amount is paid into a special fund of the Agency, pursuant to 17C-1-401 and Part 5 of UCA Chapter 17C, as amended.
- 2.18 "Tax Year" means the 12-month period between sequential tax role equalizations (November 1st through October 31st) of the following year, e.g., the Nov. 1, 2018 - Oct. 31 2019 tax year).

SECTION 3: DESCRIPTION OF COMMUNITY REINVESTMENT PROJECT AREA

The Project Area lies entirely within the boundaries of the City and is located on the east side of the City, between I-15, 1900 West, and Riverdale Road. This area in particular receives significant vehicle traffic on a daily basis which creates both opportunity and increased service demand. The property encompasses approximately 42 acres of land.

- As delineated in the office of the Weber County Recorder, the Project Area encompasses all of the parcels detailed in Appendix A: Property Description

- A map and legal description of the Project Area are attached hereto in APPENDIX B.

SECTION 4: PROJECT AREA CHARACTERISTICS AND HOW THEY WILL BE AFFECTED BY COMMUNITY REINVESTMENT

LAND USES IN THE PROJECT AREA

The Project Area currently consists primarily of commercial land. The Project Area is designated for Commercial land use. This Plan is consistent with the General Plan of the City and promotes economic activity by virtue of the land uses contemplated.

Any zoning change, amendment or conditional use permit necessary to the successful development contemplated by this Plan shall be undertaken in accordance with the requirements of the revised Ordinances of Roy City, and all other applicable laws including all goals and objectives in the City's General Plan.

LAYOUT OF PRINCIPAL STREETS IN THE PROJECT AREA

The layout of principle streets within the Project Area are outlined in APPENDIX B - MAP, AND LEGAL DESCRIPTION.

POPULATION IN THE PROJECT AREA

The Project area was laid out in order to create the least amount of disruption to existing residential structures. Currently there are no residential structures within the Project Area.

BUILDING INTENSITIES IN THE PROJECT AREA

Any new development within the Project Area will be required to meet all current or amended zoning requirements and design or development standards. It is anticipated that the redevelopment of the Project Area will result in additional buildings and increased density within the Project Area.

SECTION 5: STANDARDS THAT WILL GUIDE COMMUNITY REINVESTMENT

DEVELOPMENT OBJECTIVES

The Agency and City desire to maintain a high-quality development as a commercial focal point to the City. The Agency and City want to guide development in order to ensure development standards blend harmoniously with the character of the City.

DESIGN OBJECTIVES

Development within the Project Area will be held to the highest quality design and construction standards, subject to (1) appropriate elements of the City's General Plan; (2) the planning and zoning ordinances of the City; (3) other applicable building codes and ordinances of the City; (4) and Agency review to ensure consistency with this Plan.

All development will be accompanied by site plans, development data, and other appropriate material clearly describing the development, including land coverage, setbacks, heights, off-street parking to be provided, and any other data determined to be necessary or requested by the City or the Agency.

All development shall provide an attractive environment, blend harmoniously with the adjoining areas, and provide for the optimum amount of open space and well-landscaped area in relation to the new buildings. In addition, it shall maintain maximum availability of off-street parking, and comply with the provisions of this Plan.

APPROVALS

The Agency may have the right to approve the design and construction documents of any development within the Project Area to ensure that any development within the Project Area is consistent with this Project Area Plan.

SECTION 6: HOW THE PURPOSES OF THE STATE LAW WOULD BE ATTAINED BY COMMUNITY REINVESTMENT

It is the intent of the Agency, with possible assistance from the City and in participation with potential developers and property owners, to accomplish this Project Area Plan, which will include development contemplated in this Project Area Plan. This will include the construction of public infrastructure, and the appropriate use of incentives permitted under the Act, to maximize this development as beneficial to the citizens of the City and the surrounding communities. This will strengthen the community's tax base through the provision of necessary goods and services demanded within the community and in furtherance of the objectives set forth in this Plan.

SECTION 7: HOW THE PROJECT AREA PLAN IS CONSISTENT WITH THE COMMUNITY'S GENERAL PLAN

This Plan and the development contemplated thereby shall conform to the City's General Plan and land use regulations.

SECTION 8: DESCRIPTION OF THE SPECIFIC PROJECTS THAT ARE THE OBJECT OF THE PROPOSED COMMUNITY REINVESTMENT

The primary objective of the Project Area is to encourage redevelopment of this key City commercial district. The objectives of the Agency include pursuing development of vacant and underutilized parcels of property within the Project Area, which will result in an economic increase to the Agency and City.

SECTION 9:WAYS IN WHICH PRIVATE DEVELOPERS WILL BE SELECTED TO UNDERTAKE THE COMMUNITY REINVESTMENT

The City and Agency will select or approve such development as solicited or presented to the Agency and City that meets the development objectives set forth in this plan. The City and Agency retain the right to approve

or reject any such development plan(s) that in their judgment do not meet the development intent for the Project Area. The City and Agency may choose to solicit development through an RFP or RFQ process, through targeted solicitation to specific industries, from inquiries to the City, EDCUtah, and/or from other such references.

The City and Agency will ensure that all development conforms to this plan and is approved by the City. All potential developers will need to provide a thorough development plan including sufficient financial information to provide the City and Agency with confidence in the sustainability of the development and the developer. Such a review may include a series of studies and reviews including reviews of the Developers financial statements, third-party verification of benefit of the development to the City, appraisal reports, etc.

Any participation between the Agency and developers and property owners shall be by an approved agreement.

SECTION 10: REASONS FOR THE SELECTION OF THE PROJECT AREA

The Project Area was selected by the Agency as an area within the City that presents an opportunity to strengthen the economic base of the City and fulfill a public need through the investment of private capital. This area has lacked reinvestment over the last few decades. Boundaries of the Project Area were determined by the Agency after a review of a study area by members of the City's economic development committee, staff, and consultant.

SECTION 11: DESCRIPTIONS OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS EXISTING IN THE PROJECT AREA

There are no residents located within the Project Area, therefore no meaningful demographics would be available to describe social conditions within the Project Area. The Project Area consists of approximately 42 acres of property. The Agency wants to encourage upgrades and improvements as applicable to the existing economic base of the City.

SECTION 12: DESCRIPTION OF ANY FINANCIAL ASSISTANCE THAT THE AGENCY ANTICIPATES OFFERING A PARTICIPANT

The following generally describes incentives which the Agency intends to offer within the Project Area to developers, participants, or property owners as incentives to improve and develop property within the Project Area:

1. The Agency intends to use the tax increment approved by agreement with the taxing entities for public infrastructure improvements, land purchase, building renovation or upgrades, certain offsite improvements, and other improvements as approved by the Agency.
2. Payments made to a developer/participant pursuant to agreements between the developer/participant and the Agency.

3. Expenditures approved and outlined in the adopted Project Area Budget.

Except where the Agency issues Bonds or otherwise borrows or receives funds, the Agency expects to pay the City, developers, or participants for the agreed amounts, in the agreed upon time frame to the extent the tax increment funds are received and available.

SECTION 13: PLAN RESTRICTIONS

13.1 Eminent Domain

This Community Reinvestment Project Area Plan does not allow the Agency to acquire real property through the use of eminent domain.

13.2 Tax Increment

Use of tax increment is subject to approval of the Agency's Project Area Budget through an interlocal agreement with any taxing entity that levies a certified tax rate within the Project Area. The use of tax increment is essential in meeting the objectives of this Plan.

SECTION 14: ANTICIPATED PUBLIC BENEFIT TO BE DERIVED FROM THE COMMUNITY REINVESTMENT

The Beneficial Influences upon the Tax Base and Economic Activity of the Community

The beneficial influences upon the tax base of the City and the other taxing entities will include increased property tax revenues, job growth, and affordable housing opportunities in the community. The increased revenues will come from the property values associated with new construction in the area.

Job growth in the Project Area will result in increased wages, increasing local purchases and benefiting existing businesses in the area. Job growth will also result in increased income taxes paid. Additionally, business growth will generate corporate income taxes.

There will also be a beneficial impact on the community through increased construction activity within the Project Area. Positive impacts will be felt through construction wages paid, as well as construction supplies purchased locally.

SECTION 15: PROVISIONS FOR AMENDING THE PROJECT AREA PLAN

This Plan may be amended or modified any time by the Agency by means of the procedures established in the act, its successor statutes, or any other procedure established by law.

SECTION 16: NECESSARY AND APPROPRIATE ANALYSIS

Authority to take action or enter into agreements under this Plan shall be vested exclusively in the Agency's Governing Board. The Agency's Governing Board shall be authorized to delegate this authority pursuant to resolutions approved by the Board. The administration and enforcement of this Plan and any documents implementing this Plan shall be performed by the Agency and/or City.

The provisions of this Plan or other documents entered into pursuant to this Plan may also be enforced by litigation by either the Agency or the City. Such remedies may include, but are not limited to, specific performance, damages, re-entry, injunctions, or any other remedies appropriate to the purposes of this Plan. In addition, agreements or any recorded provisions which are expressly for the benefit of owners of property in the project Area may be enforced by such owners.

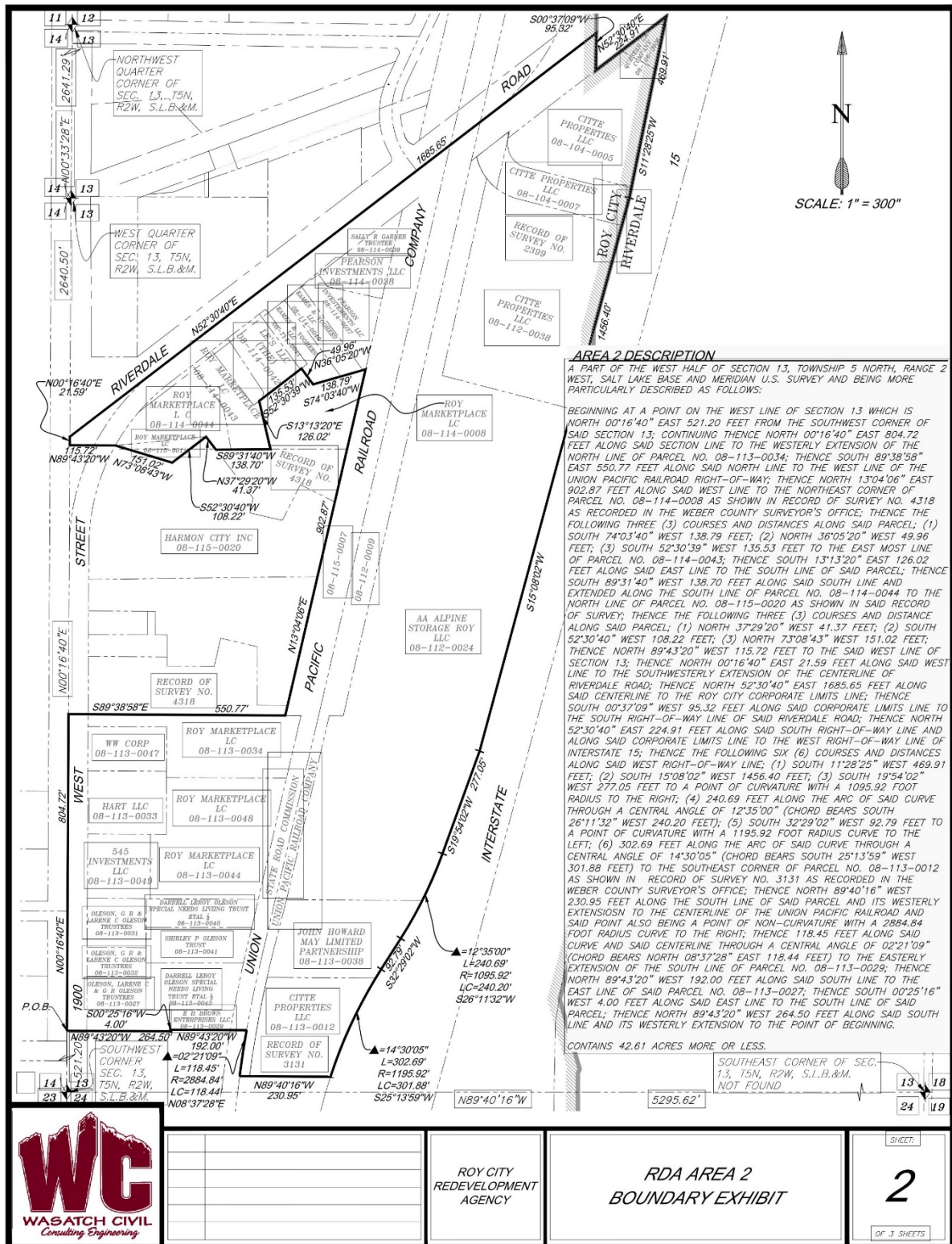
The particulars of any contemplated development will be set out in a participation agreement between the Agency and the participant requesting assistance.

Before any future development agreement or participation agreement under the Plan may be entered into and/or executed by the Agency, the Agency may hold a public hearing on the proposed agreement. The Agency may prepare or require the developer/participant to prepare a feasibility analysis and a necessary and appropriate analysis with respect to all new projects being proposed and with respect to the ongoing feasibility of the overall Project being implemented pursuant to this Plan. The purpose of this provision is to assure that the feasibility, necessity, appropriateness, the nature, extent of, and need for any public subsidy or other assistance, and the likely public benefit of new projects is reviewed on their own merits and in the context of implementing this Plan as a whole before any particular projects are approved, thereby assuring that substantial and effective measures are being taken, or have been taken, that are reasonably designed to mitigate any harm, damage, or disadvantage as may be suffered as a result of development within the Project Area by owners of property, or tenants within the Project Area.

APPENDIX A: PROPERTY OWNERS

Taxable Property Schedule (2019)		
Parcel_ID	Owner	Acres
08-113-0027	Oelson, Larene C. & GR Oelson	0.55
08-113-0032	Oelson, GR & Larene C. Oelson - Trustees	0.25
08-113-0031	Oelson, GR & Larene C. Oelson - Trustees	0.43
08-113-0050	JMA Ford LLC	0.30
08-113-0049	545 Investments	0.53
08-113-0033	Hart LLC	0.51
08-113-0047	WW Corp	0.52
08-113-0034	Roy Marketplace LC	1.26
08-113-0048	Roy Marketplace LC	1.12
08-113-0044	Roy Marketplace LC	0.94
08-113-0040	Darrell Leroy Oelson Special Needs Living Trust Etal	0.46
08-113-0041	Shirley P. Oelson	0.52
08-113-0043	Darrell Leroy Oelson Special Needs Living Trust Etal	0.64
08-113-0029	EH Brown Enterprises LLC	0.17
08-113-0012	Citte Properties LLC	1.38
08-113-0038	John Howard May Limited Partnership	2.02
08-115-0007	State Road Commission	0.21
08-112-0009	Union Pacific Railroad Company	0.01
08-112-0024	AA Alpine Storage Roy LLC	12.75
08-112-0038	Citte Properties LLC	4.00
08-104-0007	Citte Properties LLC	0.80
08-104-0005	Citte Properties LLC	0.92
08-106-0006	Questar Bas Company	0.06
08-114-0039	Sally R. Garner Trustee	0.23
08-114-0038	Pearson Investments LLC	0.32
08-114-0037	Pearson Investments LLC	0.47
08-114-0040	Eames & Voohees	0.32
08-114-0041	Eames & Voohees	0.39
08-114-0042	Le's LLC (The)	0.51
08-114-0043	Roy Marketplace LC	0.48
08-114-0044	Roy Marketplace LC	0.67
08-115-0011	Roy Marketplace LC	0.15
Roads, Right-of-Ways, Railroad, etc.		8.72
Total		42.61

APPENDIX B: MAP AND LEGAL DESCRIPTION



1900 Southeast CRA Legal Description

ROY CITY REDEVELOPMENT AGENCY AREA 2 BOUNDARY DESCRIPTION

A PART OF THE WEST HALF OF SECTION 13, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN U.S. SURVEY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF SECTION 13 WHICH IS NORTH 00°16'40" EAST 521.20 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 13; CONTINUING THENCE NORTH 00°16'40" EAST 804.72 FEET ALONG SAID SECTION LINE TO THE WESTERLY EXTENSION OF THE NORTH LINE OF PARCEL NO. 08-113-0034; THENCE SOUTH 89°38'58" EAST 550.77 FEET ALONG SAID NORTH LINE TO THE WEST LINE OF THE UNION PACIFIC RAILROAD RIGHT-OF-WAY; THENCE NORTH 13°04'06" EAST 902.87 FEET ALONG SAID WEST LINE TO THE NORTHEAST CORNER OF PARCEL NO. 08-114-0008 AS SHOWN IN RECORD OF SURVEY NO. 4318 AS RECORDED IN THE WEBER COUNTY SURVEYOR'S OFFICE; THENCE THE FOLLOWING THREE (3) COURSES AND DISTANCES ALONG SAID PARCEL; (1) SOUTH 74°03'40" WEST 138.79 FEET; (2) NORTH 36°05'20" WEST 49.96 FEET; (3) SOUTH 52°30'39" WEST 135.53 FEET TO THE EAST MOST LINE OF PARCEL NO. 08-114-0043; THENCE SOUTH 13°13'20" EAST 126.02 FEET ALONG SAID EAST LINE TO THE SOUTH LINE OF SAID PARCEL; THENCE SOUTH 89°31'40" WEST 138.70 FEET ALONG SAID SOUTH LINE AND EXTENDED ALONG THE SOUTH LINE OF PARCEL NO. 08-114-0044 TO THE NORTH LINE OF PARCEL NO. 08-115-0020 AS SHOWN IN SAID RECORD OF SURVEY; THENCE THE FOLLOWING THREE (3) COURSES AND DISTANCE ALONG SAID PARCEL; (1) NORTH 37°29'20" WEST 41.37 FEET; (2) SOUTH 52°30'40" WEST 108.22 FEET; (3) NORTH 73°08'43" WEST 151.02 FEET; THENCE NORTH 89°43'20" WEST 115.72 FEET TO THE SAID WEST LINE OF SECTION 13; THENCE NORTH 00°16'40" EAST 21.59 FEET ALONG SAID WEST LINE TO THE SOUTHWESTERLY EXTENSION OF THE CENTERLINE OF RIVERDALE ROAD; THENCE NORTH 52°30'40" EAST 1685.65 FEET ALONG SAID CENTERLINE TO THE ROY CITY CORPORATE LIMITS LINE; THENCE SOUTH 00°37'09" WEST 95.32 FEET ALONG SAID CORPORATE LIMITS LINE TO THE SOUTH RIGHT-OF-WAY LINE OF SAID RIVERDALE ROAD; THENCE NORTH 52°30'40" EAST 224.91 FEET ALONG SAID SOUTH RIGHT-OF-WAY LINE AND ALONG SAID CORPORATE LIMITS LINE TO THE WEST RIGHT-OF-WAY LINE OF INTERSTATE 15; THENCE THE FOLLOWING SIX (6) COURSES AND DISTANCES ALONG SAID WEST RIGHT-OF-WAY LINE; (1) SOUTH 11°28'25" WEST 469.91 FEET; (2) SOUTH 15°08'02" WEST 1456.40 FEET; (3) SOUTH 19°54'02" WEST 277.05 FEET TO A POINT OF CURVATURE WITH A 1095.92 FOOT RADIUS TO THE RIGHT; (4) 240.69 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 12°35'00" (CHORD BEARS SOUTH 26°11'32" WEST 240.20 FEET); (5) SOUTH 32°29'02" WEST 92.79 FEET TO A POINT OF CURVATURE WITH A 1195.92 FOOT RADIUS CURVE TO THE LEFT; (6) 302.69 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 14°30'05" (CHORD BEARS SOUTH 25°13'59" WEST 301.88 FEET) TO THE SOUTHEAST CORNER OF PARCEL NO. 08-113-0012 AS SHOWN IN RECORD OF SURVEY NO. 3131 AS RECORDED IN THE WEBER COUNTY SURVEYOR'S OFFICE; THENCE NORTH 89°40'16" WEST 230.95 FEET ALONG THE SOUTH LINE OF SAID PARCEL AND ITS WESTERLY EXTENSION TO THE CENTERLINE OF THE UNION PACIFIC RAILROAD AND SAID POINT ALSO BEING A POINT OF NON-CURVATURE WITH A 2884.84 FOOT RADIUS CURVE TO THE RIGHT; THENCE 118.45 FEET ALONG SAID CURVE AND SAID CENTERLINE THROUGH A CENTRAL ANGLE OF 02°21'09" (CHORD BEARS NORTH 08°37'28" EAST 118.44 FEET) TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF PARCEL NO. 08-113-0029; THENCE NORTH 89°43'20" WEST 192.00 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF SAID PARCEL NO. 08-113-0027; THENCE SOUTH 00°25'16" WEST 4.00 FEET ALONG SAID EAST LINE TO THE SOUTH LINE OF SAID PARCEL; THENCE NORTH 89°43'20" WEST 264.50 FEET ALONG SAID SOUTH LINE AND ITS WESTERLY EXTENSION TO THE POINT OF BEGINNING.

CONTAINS 42.61 ACRES MORE OR LESS.

DRAFT PROJECT AREA BUDGET

1900 SOUTHEAST

COMMUNITY REINVESTMENT AREA (CRA)

REDEVELOPMENT AGENCY OF ROY, UTAH

OCTOBER 2019

PREPARED BY:
RS CONTRACT
MANAGEMENT



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SECTION 1: INTRODUCTION

The Redevelopment Agency of Roy (the “Agency”), following thorough consideration of the needs and desires of Roy City (the “City”) and its residents, as well as understanding the City’s capacity for new development, has carefully crafted the Project Area Plan (the “Plan”) for the 1900 Southeast Community Reinvestment Project Area (the “Project Area” or “CRA”). The Plan is the result of a comprehensive evaluation of the types of appropriate land-uses and economic development opportunities for the land encompassed by the Project Area which lies south of Riverdale Road, between 1900 West and Interstate 15.

The Plan is envisioned to define the method and means of development for the Project Area from its current state to a higher and better use. The City has determined that it is in the best interest of its citizens to assist in the development of the Project Area. This Project Area Budget document (the “Budget”) is predicated upon certain elements, objectives and conditions outlined in the Plan and intended to be used as a financing tool to assist the Agency in meeting Plan objectives discussed herein and more specifically referenced and identified in the Plan.

The Project is being undertaken as a community reinvestment project pursuant to certain provisions of Chapters 1 and 5 of the Utah Community Reinvestment Agencies Act (the “Act”, Utah Code Annotated (“UCA”) Title 17C). The requirements of the Act, including notice and hearing obligations, have always been observed throughout the establishment of the Project Area.

SECTION 2: DESCRIPTION OF COMMUNITY DEVELOPMENT PROJECT AREA

The Project Area is entirely within the boundaries of the City. It lies between the south of Riverdale Road, between 1900 West and Interstate 15. The property encompasses approximately 42 acres of land.

A map and legal description of the Project Area are attached hereto in APPENDIX A.

SECTION 3: GENERAL OVERVIEW OF PROJECT AREA BUDGET

The purpose of the Project Area Budget is to provide the financial framework necessary to implement the Project Area Plan. The following information will detail the sources and uses of tax increment and other necessary details needed for public officials, interested parties, and the public in general to understand the mechanics of the Project Area Budget.

BASE YEAR VALUE

The Agency has determined that the base year property tax value for the Project Area Budget will be the total taxable value for the 2018 tax year which is estimated to be \$20,390,320. Using the 2018 tax rates established within the Project Area the property tax levied equate to \$268,459 annually.

PAYMENT TRIGGER

This Budget will have a twenty-year (20) duration from the date of the first tax increment receipt. The collection of tax increment will be triggered at the discretion of the Agency prior to March 1 of the tax year in which they intend to begin the collection of increment. The following year in which this increment will be remitted to the Agency will be Year 1. In no case will the Agency trigger increment collection after March 1, 2023.

PROJECTED TAX INCREMENT REVENUE – TOTAL GENERATION

Development within the Project Area is anticipated to commence upon favorable market conditions in 2020 and included both horizontal and vertical infrastructure and development. The contemplated development will generate significant additional property taxes above what is currently generated within the Project Area.

Property Tax Increment will begin to be generated in the tax year (ending Dec 1st) following construction completion and Tax Increment will be paid to the Agency in March or April after collection. It is projected that property Tax Increment generation within the Project Area could begin as early as 2022. It is currently estimated that during the 20-year life of the Budget, property Tax Increment could be generated within the Project Area in the approximate amount of \$12.53 million or \$8.04 million in terms of net present value (NPV).¹ This amount is over and above the \$5.37 of base taxes that the property would generate over 20 years.

¹ Net Present Value of future cash flows assumes a 4% discount rate. The same 4% discount rate is used in all remaining NPV calculations. This total is prior to accounting for the flow-through of tax increment to the respective taxing entities.

SECTION 4: PROPERTY TAX INCREMENT

PROPERTY TAX INCREMENT SHARED FOR BUDGET

While property tax increment generated within the CRA is expected to be approximately \$13.49 million over 20 years, only a portion of this increment will be shared with the Agency. It is anticipated that all taxing entities that receive property tax generated within the CRA will share at least a portion of that increment generation with the Agency. It is anticipated that all taxing entities will contribute 70% of their respective tax increment during the project life. Table 4.1 shows the projected amount of tax increment to be shared with the Agency. A multi-year projection of tax increment is included in APPENDIX B.

TABLE 4.1: SOURCES OF TAX INCREMENT FUNDS

Entity	Percentage	Length	Total	NPV at 4%
Weber County	70%	20 Years	\$2,033,087	\$1,303,961
Weber School District	70%	20 Years	\$4,202,779	\$2,695,536
Roy City	70%	20 Years	\$1,571,294	\$1,007,781
Weber Basin Water Conservancy District	70%	20 Years	\$109,284	\$70,092
North Davis Sewer District	70%	20 Years	\$579,073	\$371,400
Weber County Mosquito Abatement District	70%	20 Years	\$71,968	\$46,158
Roy Water Conservancy District	70%	20 Years	\$49,978	\$32,054
Weber Area Dispatch 911 and Emergency Services District	70%	20 Years	\$155,930	\$100,009
Total Sources of Tax Increment Funds			\$8,773,394	\$5,626,991

USES OF TAX INCREMENT

Most of the tax increment collected by the Agency will be used to facilitate the costs of development within the CRA. 10% will go towards the CRA affordable housing requirement. Approximately 3% will be used to administer the CRA.

TABLE 4.2: USES OF TAX INCREMENT

Uses	Total	NPV at 4%
Redevelopment Activities (87%)	\$7,632,853	\$4,895,482
CRA Housing Requirement (10%)	\$877,339	\$562,699
Project Area Administration (3%)	\$263,202	\$168,810
Total Uses of Tax Increment Funds	\$8,773,394	\$5,626,991

PROJECTED TAX INCREMENT REMAINING WITH TAXING ENTITIES

It is anticipated that all taxing entities will receive 30% of their respective property tax increment generated within the Project Area during the duration of the Budget and all tax increment thereafter. The table below describes the forecasted property tax benefit that each taxing entity will retain during the duration of the Project Area Budget.

TABLE 4.3: TAX INCREMENT REMAINING FOR TAXING ENTITIES

Entity	Total	NPV at 4%
Weber County	\$871,323	\$558,840
Weber School District	\$1,801,191	\$1,155,230
Roy City	\$673,412	\$431,906
Weber Basin Water Conservancy District	\$46,836	\$30,039
North Davis Sewer District	\$248,174	\$159,172
Weber County Mosquito Abatement District	\$30,843	\$19,782
Roy Water Conservancy District	\$21,419	\$13,737
Weber Area Dispatch 911 and Emergency Services District	\$66,827	\$42,861
Total Revenue	\$3,760,026	\$2,411,567

SECTION 5: COST/BENEFIT ANALYSIS

ADDITIONAL REVENUES

OTHER TAX REVENUES

The development within the Project Area will also generate sales taxes and energy sales and use taxes.

Table 5.1 shows the total revenues generated by the project. This total includes the anticipated property tax increment, sales tax and energy sales and use tax.

TABLE 5.1: TOTAL REVENUES

Entity	Property Tax	Sales Tax	Franchise Taxes	Total Incremental Revenues
Weber County	\$2,904,410	\$2,159,762	-	\$5,064,172
Weber School District	\$6,003,971	-	-	\$6,003,971
Roy City	\$2,244,706	\$4,936,598	\$916,415	\$8,097,719
Weber Basin Water Conservancy District	\$156,120	-	-	\$156,120
North Davis Sewer District	\$827,248	-	-	\$827,248
Weber County Mosquito Abatement District	\$102,811	-	-	\$102,811
Roy Water Conservancy District	\$71,397	-	-	\$71,397
Weber Area Dispatch 911 and Emergency Services District	\$222,757	-	-	\$222,757
Totals:	\$12,533,420	\$7,096,360	\$916,415	\$20,546,195

ADDITIONAL COSTS

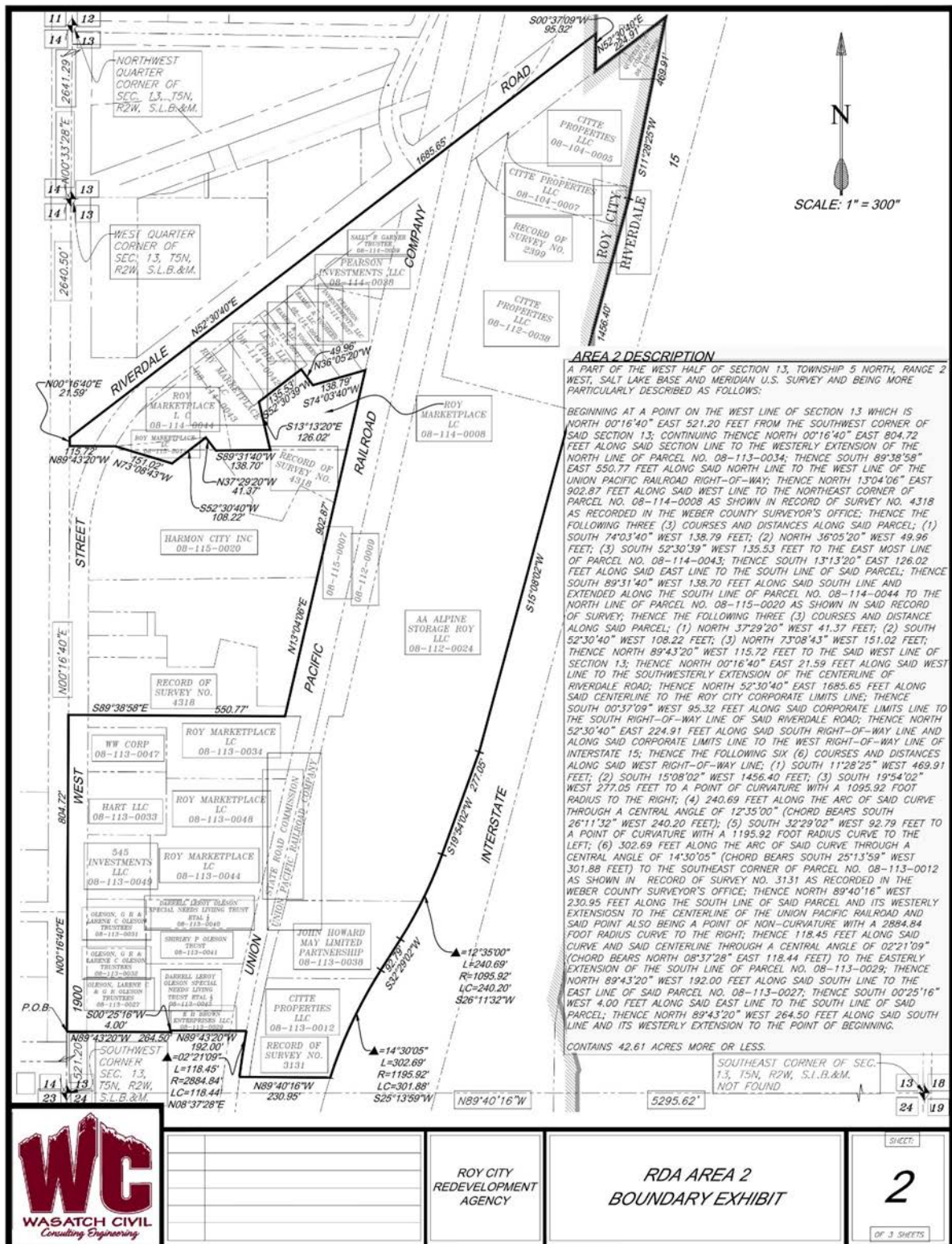
The development anticipated within the Project Area will also likely result in additional general government, public works, and public safety costs. These costs, along with the estimated budget to implement the Project Area Plan are identified below.

TABLE 5.2: TOTAL EXPENDITURES

Entity	CRA Budget	General Government	Public Works	Public Safety	Total Incremental Expenditures
Weber County	\$2,033,087	\$350,290	-	-	\$2,383,377
Weber School District	\$4,202,779	\$43,065	-	-	\$4,245,844
Roy City	\$1,571,294	\$609,297	\$256,824	\$793,954	\$3,231,369
Weber Basin Water Conservancy District	\$109,284	\$20,408	-	-	\$129,692
North Davis Sewer District	\$579,073	\$23,590	-	-	\$602,663
Weber County Mosquito Abatement District	\$71,968	\$2,087	-	-	\$74,055
Roy Water Conservancy District	\$49,978	\$14,086	-	-	\$64,064
Weber Area Dispatch 911 and Emergency Services District	\$155,930	\$6,947	-	-	\$162,877
Totals:	\$8,773,394	\$1,069,769	\$763,421	\$793,954	\$10,893,941

The total net benefit of implementing the project area is approximately \$9.65 million, with a \$4.87 million net benefit to the City.

APPENDIX A: MAP & LEGAL DESCRIPTION



1900 Southeast CRA Legal Description

ROY CITY REDEVELOPMENT AGENCY AREA 2 BOUNDARY DESCRIPTION

A PART OF THE WEST HALF OF SECTION 13, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN U.S. SURVEY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF SECTION 13 WHICH IS NORTH 00°16'40" EAST 521.20 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 13; CONTINUING THENCE NORTH 00°16'40" EAST 804.72 FEET ALONG SAID SECTION LINE TO THE WESTERLY EXTENSION OF THE NORTH LINE OF PARCEL NO. 08-113-0034; THENCE SOUTH 89°38'58" EAST 550.77 FEET ALONG SAID NORTH LINE TO THE WEST LINE OF THE UNION PACIFIC RAILROAD RIGHT-OF-WAY; THENCE NORTH 13°04'06" EAST 902.87 FEET ALONG SAID WEST LINE TO THE NORTHEAST CORNER OF PARCEL NO. 08-114-0008 AS SHOWN IN RECORD OF SURVEY NO. 4318 AS RECORDED IN THE WEBER COUNTY SURVEYOR'S OFFICE; THENCE THE FOLLOWING THREE (3) COURSES AND DISTANCES ALONG SAID PARCEL; (1) SOUTH 74°03'40" WEST 138.79 FEET; (2) NORTH 36°05'20" WEST 49.96 FEET; (3) SOUTH 52°30'39" WEST 135.53 FEET TO THE EAST MOST LINE OF PARCEL NO. 08-114-0043; THENCE SOUTH 13°13'20" EAST 126.02 FEET ALONG SAID EAST LINE TO THE SOUTH LINE OF SAID PARCEL; THENCE SOUTH 89°31'40" WEST 138.70 FEET ALONG SAID SOUTH LINE AND EXTENDED ALONG THE SOUTH LINE OF PARCEL NO. 08-114-0044 TO THE NORTH LINE OF PARCEL NO. 08-115-0020 AS SHOWN IN SAID RECORD OF SURVEY; THENCE THE FOLLOWING THREE (3) COURSES AND DISTANCE ALONG SAID PARCEL; (1) NORTH 37°29'20" WEST 41.37 FEET; (2) SOUTH 52°30'40" WEST 108.22 FEET; (3) NORTH 73°08'43" WEST 151.02 FEET; THENCE NORTH 89°43'20" WEST 115.72 FEET TO THE SAID WEST LINE OF SECTION 13; THENCE NORTH 00°16'40" EAST 21.59 FEET ALONG SAID WEST LINE TO THE SOUTHWESTERLY EXTENSION OF THE CENTERLINE OF RIVERDALE ROAD; THENCE NORTH 52°30'40" EAST 1685.65 FEET ALONG SAID CENTERLINE TO THE ROY CITY CORPORATE LIMITS LINE; THENCE SOUTH 00°37'09" WEST 95.32 FEET ALONG SAID CORPORATE LIMITS LINE TO THE SOUTH RIGHT-OF-WAY LINE OF SAID RIVERDALE ROAD; THENCE NORTH 52°30'40" EAST 224.91 FEET ALONG SAID SOUTH RIGHT-OF-WAY LINE AND ALONG SAID CORPORATE LIMITS LINE TO THE WEST RIGHT-OF-WAY LINE OF INTERSTATE 15; THENCE THE FOLLOWING SIX (6) COURSES AND DISTANCES ALONG SAID WEST RIGHT-OF-WAY LINE; (1) SOUTH 11°28'25" WEST 469.91 FEET; (2) SOUTH 15°08'02" WEST 1456.40 FEET; (3) SOUTH 19°54'02" WEST 277.05 FEET TO A POINT OF CURVATURE WITH A 1095.92 FOOT RADIUS TO THE RIGHT; (4) 240.69 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 12°35'00" (CHORD BEARS SOUTH 26°11'32" WEST 240.20 FEET); (5) SOUTH 32°29'02" WEST 92.79 FEET TO A POINT OF CURVATURE WITH A 1195.92 FOOT RADIUS CURVE TO THE LEFT; (6) 302.69 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 14°30'05" (CHORD BEARS SOUTH 25°13'59" WEST 301.88 FEET) TO THE SOUTHEAST CORNER OF PARCEL NO. 08-113-0012 AS SHOWN IN RECORD OF SURVEY NO. 3131 AS RECORDED IN THE WEBER COUNTY SURVEYOR'S OFFICE; THENCE NORTH 89°40'16" WEST 230.95 FEET ALONG THE SOUTH LINE OF SAID PARCEL AND ITS WESTERLY EXTENSION TO THE CENTERLINE OF THE UNION PACIFIC RAILROAD AND SAID POINT ALSO BEING A POINT OF NON-CURVATURE WITH A 2884.84 FOOT RADIUS CURVE TO THE RIGHT; THENCE 118.45 FEET ALONG SAID CURVE AND SAID CENTERLINE THROUGH A CENTRAL ANGLE OF 02°21'09" (CHORD BEARS NORTH 08°37'28" EAST 118.44 FEET) TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF PARCEL NO. 08-113-0029; THENCE NORTH 89°43'20" WEST 192.00 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF SAID PARCEL NO. 08-113-0027; THENCE SOUTH 00°25'16" WEST 4.00 FEET ALONG SAID EAST LINE TO THE SOUTH LINE OF SAID PARCEL; THENCE NORTH 89°43'20" WEST 264.50 FEET ALONG SAID SOUTH LINE AND ITS WESTERLY EXTENSION TO THE POINT OF BEGINNING.

CONTAINS 42.61 ACRES MORE OR LESS.

RESOLUTION NO. _____

RESOLUTION OF THE REDEVELOPMENT AGENCY OF ROY ADOPTING AN OFFICIAL PLAN FOR THE 1900 SOUTHEAST COMMUNITY REINVESTMENT PROJECT AREA.

WHEREAS, the Redevelopment Agency of Roy (the "Agency") was created to transact the business and exercise the powers provided for in the current Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the Utah Code Ann. 1953, as amended (the "Act"); and

WHEREAS, Roy City (the "City") has a planning commission and has adopted a general plan pursuant to applicable law; and

WHEREAS, the Agency, by Resolution, has authorized the preparation of a draft project area plan as provided in Section 17C-5-103 of the Act; and

WHEREAS, pursuant to Section 17C-5-104 of the Act, the Agency has (a) prepared a draft 1900 Southeast Community Reinvestment Project Area Plan (the "Project Area Plan" or "Plan") and (b) made the draft Project Area Plan available to the public at the Agency's offices during normal business hours; and

WHEREAS, the Agency provided notice of the public hearing in compliance with Sections 17C-1-805, 806, and 808; and

WHEREAS, the Agency has held a public hearing on the draft Project Area Plan and at that Plan hearing (a) allowed public comment on the draft Project Area Plan and whether the draft Project Area Plan should be revised, approved or rejected, and (b) received all written and heard all oral objections to the draft Project Area Plan; and

WHEREAS, after holding the public hearing, and at the same meeting, the Agency considered the oral and written objections to the draft Project Area Plan, and whether to revise, approve or reject the draft Project Area Plan;

WHEREAS, less than one year has passed since the date of the public hearing.

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE REDEVELOPMENT AGENCY OF ROY:

Section 1. Adoption of Project Area Plan. All comments and objections to the draft Project Area Plan (if any) have been considered and are, unless otherwise provided in the minutes of this meeting (if at all), passed upon. It has become necessary and desirable to adopt the draft Project Area Plan as the official Project Area Plan for the Project Area. The draft Project Area Plan, in the form attached hereto as **Exhibit C**, and together with any changes to the draft Project Area Plan as may be indicated in the minutes of this meeting (if any), is hereby designated and adopted as the official plan

for the Project Area. The Agency shall submit the Project Area Plan, together with a copy of this Resolution, to the City Council requesting that the Project Area Plan be adopted by ordinance of the legislative body of the City in accordance with the provisions of the Act.

Section 2. Legal Description of the Project Area Boundaries. The legal description of the boundaries of the Project Area covered by the Project Area Plan is attached hereto and incorporated herein as **Exhibit A**. A map of the Project Area is attached and incorporated herein as **Exhibit B**.

Section 3. Agency's Purposes and Intent. The Agency's purposes and intent with respect to the Project Area are set forth in the Project Area Plan, and include the following:

- A. Encourage and accomplish appropriate private development and community reinvestment activities within the Project Area.
- B. Provide for redevelopment infrastructure improvements within or to serve the Project Area.
- C. Provide for the strengthening of the tax base and economic health of the community.

Section 4. Project Area Plan Incorporated by Reference. The Project Area Plan, together with supporting documents, in the form attached as **Exhibit C**, and together with any changes to the draft Project Area Plan as may be indicated in the minutes of this meeting (if any), is hereby incorporated herein by reference, and made a part of this Resolution. Copies of the Project Area Plan shall be filed and maintained in the office of the Agency and the City Recorder for public inspection.

Section 5. Agency Board Findings. The Agency Board hereby determines and finds that the Project Area Plan:

- A. Serves a public purpose by, among other things, encouraging and accomplishing appropriate community reinvestment activities within the Project Area;
- B. Produces a public benefit in the form of, among other things, increased development activity within the boundaries of the Agency, including in particular within the Project Area, that is desirable and will enhance the tax base of all taxing entities within the Project Area, as demonstrated by the analysis provided in the Project Area Plan;
- C. Is economically sound and feasible; in that the revenue needed for the implementation of the Project Area Plan will come from incremental property taxes generated by new private development within the Project Area, all as further shown and supported by the analysis contained in the Project Area Plan;
- D. Conforms to the City's general plan in that, among other things, the Project Area Plan provides that all development in the Project Area is to be in accordance with the City's zoning ordinances and requirements, and the development activities contemplated by the Project Area Plan are in harmony with the City's general plan; and

E. Promotes the public peace, health, safety and welfare of the City.

Section 6. Effective Date. This Resolution takes effect immediately upon adoption, and pursuant to the provisions of the Act, the Project Area Plan shall become effective upon adoption by Ordinance of the legislative body of the City.

IN WITNESS WHEREOF, the Governing Board of the Redevelopment Agency of Roy has approved, passed and adopted this Resolution this November 19, 2019.

Agency Chair

Attest:

Secretary

EXHIBIT A – LEGAL DESCRIPTION OF THE PROJECT AREA

ROY CITY REDEVELOPMENT AGENCY AREA 2 BOUNDARY DESCRIPTION

A PART OF THE WEST HALF OF SECTION 13, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN U.S. SURVEY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF SECTION 13 WHICH IS NORTH 00°16'40" EAST 521.20 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 13; CONTINUING THENCE NORTH 00°16'40" EAST 804.72 FEET ALONG SAID SECTION LINE TO THE WESTERLY EXTENSION OF THE NORTH LINE OF PARCEL NO. 08-113-0034; THENCE SOUTH 89°38'58" EAST 550.77 FEET ALONG SAID NORTH LINE TO THE WEST LINE OF THE UNION PACIFIC RAILROAD RIGHT-OF-WAY; THENCE NORTH 13°04'06" EAST 902.87 FEET ALONG SAID WEST LINE TO THE NORTHEAST CORNER OF PARCEL NO. 08-114-0008 AS SHOWN IN RECORD OF SURVEY NO. 4318 AS RECORDED IN THE WEBER COUNTY SURVEYOR'S OFFICE; THENCE THE FOLLOWING THREE (3) COURSES AND DISTANCES ALONG SAID PARCEL; (1) SOUTH 74°03'40" WEST 138.79 FEET; (2) NORTH 36°05'20" WEST 49.96 FEET; (3) SOUTH 52°30'39" WEST 135.53 FEET TO THE EAST MOST LINE OF PARCEL NO. 08-114-0043; THENCE SOUTH 13°13'20" EAST 126.02 FEET ALONG SAID EAST LINE TO THE SOUTH LINE OF SAID PARCEL; THENCE SOUTH 89°31'40" WEST 138.70 FEET ALONG SAID SOUTH LINE AND EXTENDED ALONG THE SOUTH LINE OF PARCEL NO. 08-114-0044 TO THE NORTH LINE OF PARCEL NO. 08-115-0020 AS SHOWN IN SAID RECORD OF SURVEY; THENCE THE FOLLOWING THREE (3) COURSES AND DISTANCE ALONG SAID PARCEL; (1) NORTH 37°29'20" WEST 41.37 FEET; (2) SOUTH 52°30'40" WEST 108.22 FEET; (3) NORTH 73°08'43" WEST 151.02 FEET; THENCE NORTH 89°43'20" WEST 115.72 FEET TO THE SAID WEST LINE OF SECTION 13; THENCE NORTH 00°16'40" EAST 21.59 FEET ALONG SAID WEST LINE TO THE SOUTHWESTERLY EXTENSION OF THE CENTERLINE OF RIVERDALE ROAD; THENCE NORTH 52°30'40" EAST 1685.65 FEET ALONG SAID CENTERLINE TO THE ROY CITY CORPORATE LIMITS LINE; THENCE SOUTH 00°37'09" WEST 95.32 FEET ALONG SAID CORPORATE LIMITS LINE TO THE SOUTH RIGHT-OF-WAY LINE OF SAID RIVERDALE ROAD; THENCE NORTH 52°30'40" EAST 224.91 FEET ALONG SAID SOUTH RIGHT-OF-WAY LINE AND ALONG SAID CORPORATE LIMITS LINE TO THE WEST RIGHT-OF-WAY LINE OF INTERSTATE 15; THENCE THE FOLLOWING SIX (6) COURSES AND DISTANCES ALONG SAID WEST RIGHT-OF-WAY LINE; (1) SOUTH 11°28'25" WEST 469.91 FEET; (2) SOUTH 15°08'02" WEST 1456.40 FEET; (3) SOUTH 19°54'02" WEST 277.05 FEET TO A POINT OF CURVATURE WITH A 1095.92 FOOT RADIUS TO THE RIGHT; (4) 240.69 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 12°35'00" (CHORD BEARS SOUTH 26°11'32" WEST 240.20 FEET); (5) SOUTH 32°29'02" WEST 92.79 FEET TO A POINT OF CURVATURE WITH A 1195.92 FOOT RADIUS CURVE TO THE LEFT; (6) 302.69 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 14°30'05" (CHORD BEARS SOUTH 25°13'59" WEST 301.88 FEET) TO THE SOUTHEAST CORNER OF PARCEL NO. 08-113-0012 AS SHOWN IN RECORD OF SURVEY NO. 3131 AS RECORDED IN THE WEBER COUNTY SURVEYOR'S OFFICE; THENCE NORTH 89°40'16" WEST 230.95 FEET ALONG THE SOUTH LINE OF SAID PARCEL AND ITS WESTERLY EXTENSION TO THE CENTERLINE OF THE UNION PACIFIC RAILROAD AND SAID POINT ALSO BEING A POINT OF NON-CURVATURE WITH A 2884.84 FOOT RADIUS CURVE TO THE RIGHT; THENCE 118.45 FEET ALONG SAID CURVE AND SAID CENTERLINE THROUGH A CENTRAL ANGLE OF 02°21'09" (CHORD BEARS NORTH 08°37'28" EAST 118.44 FEET) TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF PARCEL NO. 08-113-0029; THENCE NORTH 89°43'20" WEST 192.00 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF SAID PARCEL NO. 08-113-0027; THENCE SOUTH 00°25'16" WEST 4.00 FEET ALONG SAID EAST LINE TO THE SOUTH LINE OF SAID PARCEL; THENCE NORTH 89°43'20" WEST 264.50 FEET ALONG SAID SOUTH LINE AND ITS WESTERLY EXTENSION TO THE POINT OF BEGINNING.

CONTAINS 42.61 ACRES MORE OR LESS.

EXHIBIT B – MAP OF THE PROJECT AREA

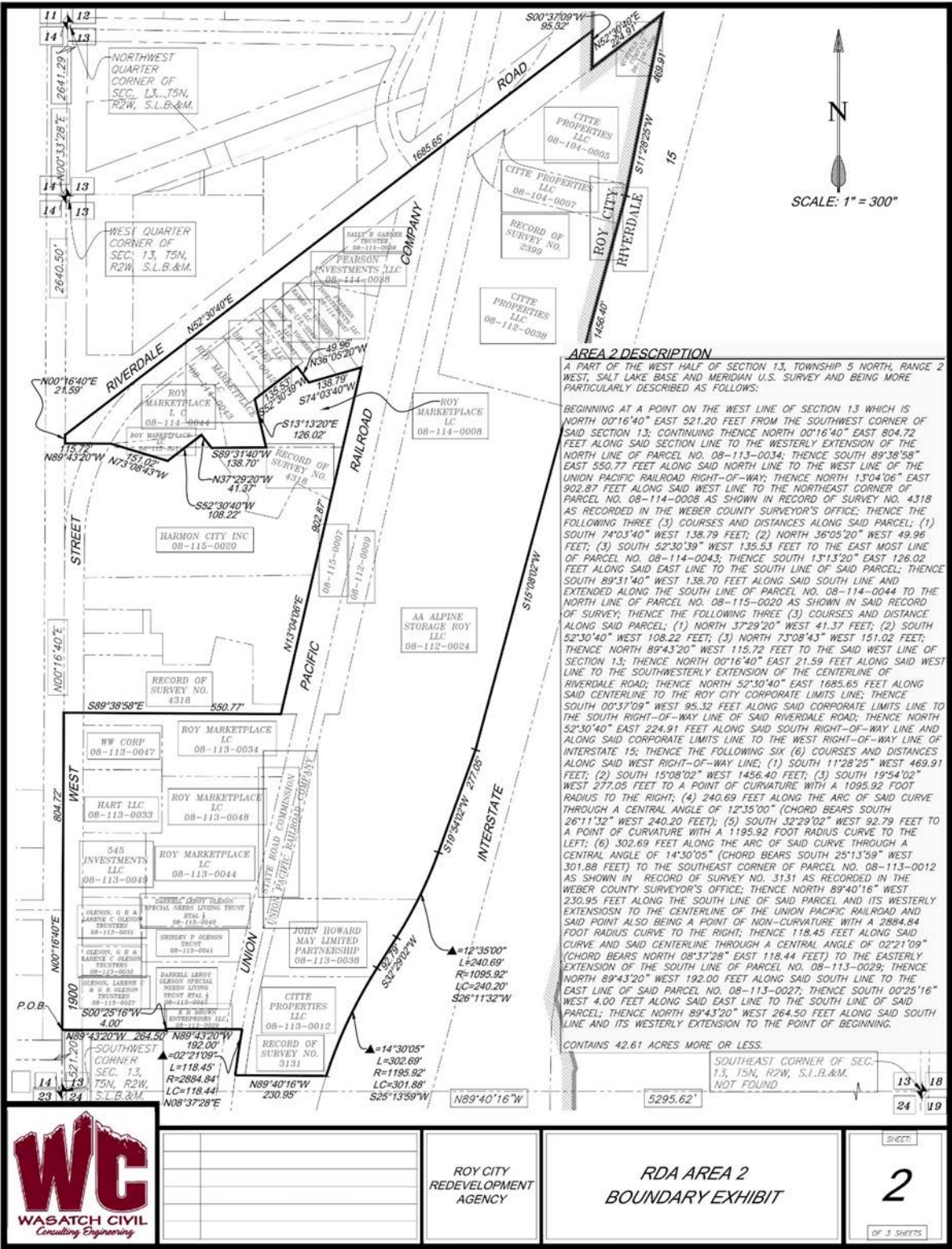


EXHIBIT C: PROJECT AREA PLAN

RESOLUTION NO. 19-8

RESOLUTION OF THE REDEVELOPMENT AGENCY OF ROY ADOPTING THE PROJECT AREA BUDGET FOR THE 1900 SOUTHWEST COMMUNITY REINVESTMENT PROJECT AREA.

WHEREAS, the Redevelopment Agency of Roy (the "Agency") was created to transact the business and exercise the powers provided for in the current Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the Utah Code Ann. 1953, as amended (the "Act"); and

WHEREAS, the Agency has adopted by Resolution the 1900 Southwest Community Reinvestment Project Area Plan (the "Plan") for the 1900 Southwest Community Reinvestment Project Area (the "Project Area"); and

WHEREAS, the Plan allows for the Agency to collect tax increment created within the Project Area to assist in project area development, community reinvestment, and other goals and objectives as outlined in the Plan, which will provide a public benefit within Roy City (the "City"); and

WHEREAS, the Agency has prepared a Project Area Budget in accordance with section 17C-5-303 of the Act.

WHEREAS, the Agency has held a public hearing on the draft Project Area Budget and at that hearing allowed public comment on the draft Project Area Budget and whether the draft Project Area Plan should be revised, approved or rejected; and

WHEREAS, after holding the public hearing, and at the same meeting, the Agency considered the oral and written objections to the draft Project Area Budget, and whether to revise, approve or reject the draft Project Area Budget;

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE REDEVELOPMENT AGENCY OF ROY:

1. All comments and objections to the draft Project Area Budget (if any) have been considered and are, unless otherwise provided in the minutes of this meeting (if at all), passed upon.

2. The draft Project Area Budget attached hereto as **Exhibit A** and incorporated herein, together with any changes to the draft Project Area Budget as may be indicated in the minutes of this meeting (if any), is hereby approved and adopted effective immediately.

3. The Agency staff is authorized to finalize negotiations with the taxing entities that levy a certified rate in the Project Area, to participate with the Agency in the implementation and funding of the Project Area Budget in accordance with the Act.

4. This Resolution takes effect immediately.

IN WITNESS WHEREOF, the Governing Board of the Redevelopment Agency of Roy has approved, passed and adopted this Resolution this November 19, 2019.

Agency Chair

ATTEST:

Secretary

EXHIBIT A: PROJECT AREA BUDGET